1. **(0.8 pt) We run MRP twice in this part of the lab, respectively on page 5 and page 19. Please compare their consequent results and explain why one of these two MRP runs in fact does not bring any production plan.**

**Ans:**

MRP (Page 3) we are trying to check if the Product Group created by us in previous step is correct and shows two products in the group.

MRP (Page 19) we are trying to create planned orders and we can see that MRP decomposed the BOM of 40 NRG-A, and determines how many semi-finished products we should produce, and how many raw materials we need to purchase.

MRP (Page 3) does not bring any production plan it was only to check the two products were added to product group.

1. **(0.5 pt) We discussed two procurement methods at the beginning of this exercise – (1) purchasing by referring to the stock/requirements list and creating purchase orders by referring to the planned orders created by MRP (as we did on pages 2-6);2) directly creating purchase requisitions or purchase orders manually without referring to the stock/requirements list (as we did on page 7). Please discuss the advantages and disadvantages of these two methods.**

**Ans:**

* By doing the first procurement method we will be creating purchase orders for all raw materials individually and if we follow the second method of procurement we can create one purchase order directly associated with all the raw material required.
* We do not have to worry about the purchase amount for each material if we use the first procurement procedure with the Stock/Requirements List, since ECC will automatically determines this (according to the planned requirements) when we convert a planned order to a purchase requisition and finally to a purchase order which is not the case with Second Procurement method, for which we need to start with Good Receipt, Good Issue, Confirmation of Production, Good Receipt of Production.

1. (0.3 pt) Please explain the main purpose of Step 8 on page 22

**Ans**

We are converting a planned order to a Production Order in Step 8 after which we checked the Stock of the Product which was increase by a count of 500 after changing planned order to production order.