

V.P.M.'s K.G. Joshi College of Arts & N.G.Bedekar College of Commerce, Thane.

TYBMS - A & F 5TH SEMESTER

PRELIMINARY EXAMINATION OCT - 2008

TIME : 11.00 a.m. to 1.00 p.m.

MARKS : 60

CODE : 514-B

DATE : 13/10/2008

SUBJECT & PAPER : ELEMENTS OF LOGISTICS MGMT.

- Instruction :**
- 1] Section I is compulsory.
 - 2] Answer any Three questions from section - II.
 - 3] Figures on the Rights side indicate marks.
 - 4] Use of simple calculator is allowed.

Section - I

Q.1 Answer the following questions in brief :

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- I) State the objectives of customer service
- II) Lead Time in Inventory management.
- III) Logistical functions of packaging.
- IV) Reverse Logistics.
- V) Inter-modal Transportation System.

Q.2 Modi Brand threads are manufactured at their plant in Mumbai and sold all over India through their 15 Area offices. It caters mainly to hosiery tailoring and household segments. Even though the distribution is done through their 15 Area offices, the customer satisfaction level is only about 85%. Moreover the fill rate is also 80%. The market for this product is very competitive & to retain the customers they have to maintain inventory of all the products all the time. The increasing inventory levels are the matter of concern to the company.

The threads are of 2 types in cotton & polyester. They come in different lengths, strengths & Colours (shades). There are 100 varieties of these threads in each shade. Considering about 20 different shade the total product range works out to 2000 stock keeping units (SKUs). One Carton of the specific colour thread Costs Rs. 2000.

One carton of each colour is kept in stock, the stock value will work out to Rs.40 lacs. Thus for 15 centers the stock value will be 600 lacs. Which is very high by any standards.

Questions :

- 1) Identify the Basic Problems in the above case.
- 2) Suggest steps to be taken to reduce the inventory levels at Regional offices.
- 3) Suggest alternative distribution system

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Section - II

Q.3 Compare and contrast the EOQ and JIT system of inventory management. Explain the basics of those two systems of inventory policies. 10

Q.4 A Glass manufacturing company has four production units P₁, P₂, P₃ and P₄ Producing 5000, 8000, 7000 and 10,000 items per day. The company has Three storage locators L1, L2, L3 having capacity for 7000, 9000, 18000 items to accomodates every day.

The transportation cost from factory to storage location in Rs./ unit is given in the following cost matrix.

		Storage Locations		
		L1	L2	L3
factory	P1	2	7	4
	P2	3	3	1
	P3	5	4	7
	P4	1	6	2

- i) Due to the operational constraints the transportation from factory P4 to storage location L1 not possible.
- ii) From factory P3 to storage Location L3 only 5000 units one to be allocated. However after 5000 units, option remain open for further allocation.

Determine an initial feasible solution using VAM for the above problem and also calculate the total transportation cost. 10

Q.5 Discus the objectives of developing and Implementing a performance measurement system in integrated logistics management. 10

Q.6 "Properly integrated inbound and outbound ligistics can provide an efficient logistics system." Explain. 10

Q.7 Write short notes on any two. 10

- a) Palarization
- b) P & Q System of inventory Control
- c) Fill Rate
- d) Electronic Data Interchange (EDI)