

Enrollment No.....



Faculty of Management
End Sem (Odd) Examination Dec-2017
MS3EG05 Materials Management

Programme: BBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1
- i. Which of the following is not an inventory? 1
(a) Machines (b) Raw material
(c) Finished products (d) Consumable tools
 - ii. What is the main objective of Material Management? 1
(a) Arrange for alternative source
(b) Maximum profit through economies of scale
(c) Reduce manufacturing and other related costs
(d) All of these
 - iii. Where supervision and controlling of material is kept at one place is called 1
(a) Decentralised purchasing (b) Centralised purchasing
(c) Both (a) or (b) (d) None of these
 - iv. Ordering of material at the time of requirement is called 1
(a) Blanket ordering (b) Just in Time
(c) Capital purchasing (d) Petty cash purchasing
 - v. The following classes of costs are usually involved in inventory decisions except 1
(a) Cost of ordering (b) Carrying cost
(c) Cost of shortages (d) Machining cost
 - vi. The cost of insurance and taxes are included in 1
(a) Cost of ordering (b) Set up cost
(c) Inventory carrying cost (d) Cost of shortages
 - vii. Material handling consists of movement of material from 1
(a) One machine to another (b) One shop to another shop
(c) Stores to shop (d) All of these

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- viii. Which of the following departments is generally responsible for inventory management: **1**
(a) Purchase Department (b) Stores Department
(c) Finance Department (d) Sale Department
- ix. Principle of 'Unit load' states that **1**
(a) Materials should be moved in lots
(b) One unit should be moved at a time
(c) Both (a) and (b)
(d) None of these
- x. Which of the following is correct expansion of MRP? **1**
(a) Management Reaction Planning
(b) Manufacturing resource planning
(c) Master resource production
(d) Material requirement planning
- Q.2 i. How Materials are organised in an organization? State its approaches. **2**
ii. Write various emerging trends in Material Management. **8**
OR iii. Define Material Management? Explain Importance of Material management. **8**
- Q.3 i. Write the difference between Centralized and Decentralized Purchasing. **2**
ii. Explain the concept of Vendor Evaluation. State methods of Vendor Evaluation. **8**
OR iii. Explain in detail various types of Buying Methods. **8**
- Q.4 i. What is Inventory management? Write its objectives. **3**
ii. Explain the term 'Inventory'. Also explain various types of Inventory that organizations maintain. **7**
OR iii. Write notes on **7**
(a) Economic order Quantity
(b) ABC Analysis

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- Q.5 i. Explain the functions of Storekeeping. **4**
ii. Explain the various Security measures for storehouses. **6**
OR iii. What is Material handling? State its principles. **6**
- Q.6 Attempt any two:
i. Define Material Requirement Planning. Explain its objectives. **5**
ii. Explain the operations of MRP Systems. **5**
iii. Explain the issues faced by an organization in Material Requirement Planning. **5**

MS3EG03 Materials Management

Marking Scheme

					Total 2+6=8 marks		
Q.1	i.	Which of the following is not an inventory? (a) Machines	1	Q.3	i.	Write the difference between Centralized and Decentralized Purchasing. 4 points of Difference 1/2 marks each (4*1/2 mark = 2 marks)	2
	ii.	What is the main objective of Material Management? (d) All of these	1		ii.	Explain the concept of Vendor Evaluation. State methods of Vendor Evaluation. Concept - 2 marks 3 methods of 2 marks each (3*2 marks=6 marks) Total 2+6=8marks	8
	iii.	Where supervision and controlling of material is kept at one place is called (b) Centralised purchasing	1	OR	iii.	Explain in detail various types of Buying Methods. 8 methods of 1 marks each (8*1 mark=8 marks)	8
	iv.	Ordering of material at the time of requirement is called (b) Just in Time	1	Q.4	i.	What is Inventory management? Write its objectives. Definition- 1 mark 2 objectives-1 mark each (2*1 marks=2 marks) Total 1+2=3marks	3
	v.	The following classes of costs are usually involved in inventory decisions except. (d) Machining cost	1		ii.	Explain the term 'Inventory'. Also explain various types of Inventory that organizations maintain. Definition- 1 mark 6 types 1 mark each (6*1 mark=6 marks) Total 1+6=7 marks	7
	vi.	The cost of insurance and taxes are included in (c) Inventory carrying cost	1	OR	iii.	Point wise explanation of each - 3.5 marks (a) Economic order Quantity (b) ABC Analysis (3.5 marks*2=7 marks)	7
	vii.	Material handling consists of movement of material from (d) All of these	1	Q.5	i.	Explain the functions of Storekeeping. 4 Functions 1 marks each (4*1 mark=4 marks)	4
	viii.	Which of the following departments is generally responsible for inventory management: (b) Stores Department	1		ii.	Explain the various Security measures for storehouses. Pointwise explanation- 6 points 1 mark each (6*1 mark= 6 marks)	6
	ix.	Principle of 'Unit load' states that (a) Materials should be moved in lots	1	OR	iii.	What is Material handling? State its principles. Definition- 1 mark 5 Principles of 1 mark each (5*1 mark= 5 marks) Total 1+5=6marks	6
	x.	Which of the following is correct expansion of MRP? (d) Material requirement planning	1				
Q.2	i.	How Materials are organised in an organization? State its approaches. Definition Organization of Material- 1mark 2 approaches ½ marks each (2*1/2 mark=1 mark) Total 1+1=2 marks	2				
	ii.	Emerging trends in Material Management.	8				
OR	iii.	Define Material Management? Explain Importance of Material management. Definition- 2 marks 6 points of importance 1 mark each (6*1mark=6 marks)	8				

- Q.6 Attempt any two:
- i. Define Material Requirement Planning. Explain its objectives. **5**
Definition-**1 mark**
4 points objectives with explanation 1 mark each (**4*1 mark= 4 marks**)
Total 1+4=5 marks
 - ii. Explain the operations of MRP Systems. **5**
2 System Explanation 2.5 marks each (**2*2.5 marks =5 marks**)
 - iii. Explain the issues faced by an organization in Material Requirement Planning. **5**
5 issues explanation 1 mark each (**5*1 mark =5 marks**)
