

Seat No.: \_\_\_\_\_

Enrolment No. \_\_\_\_\_

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER (04) – • EXAMINATION – SUMMER 2016**

**Subject Code: 2840501****Date: 05/05/2016****Subject Name: International Supply Chain Management****Time: 10.30 AM TO 01.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

**Q. No****Marks****Q. 1 (A) Multiple choice questions****06**

1. Which of the following statements is true?
  - A. Logistics is a subset of supply chain
  - B. Transportation and logistics are same.
  - C. Physical distribution and logistics are the same.
  - D. Supply chain is a subset of logistics.
2. Which of the following sequence is true?
  - A. Sourcing → Outbound logistics → Conversion into finished goods → Inbound logistics → Retailing
  - B. Sourcing → Inbound logistics → Conversion into finished goods → Outbound logistics → Retailing
  - C. Sourcing → Conversion into finished goods → Inbound logistics → Outbound logistics → Retailing.
  - D. Inbound logistics → Sourcing → Conversion into finished goods → Outbound logistics → Retailing
3. Supply chain is concerned with the
  - A. flow of raw materials, WIP and finished products in the forward direction
  - B. flow of information in both the directions
  - C. flow of materials in the forward direction, cash in the reverse direction and information in both the directions
  - D. flow of materials in the forward direction and that of cash in the reverse direction
4. In today's supply chain, there has been a shift in the power structure in a chain towards
  - A. Raw-material suppliers
  - B. Manufacturers
  - C. Distributors
  - D. Retailers
5. Ford supply chain is characterized by

- A. Vertical integration
  - B. Loosely-held supplier networks
  - C. Increased product variety
  - D. Individual customization
  
- 6. Dell supply chain is characterized by
  - A. Long-term relationship with the suppliers
  - B. Individual customization
  - C. Zero product variety
  - D. Lean production systems
  
- Q.1** Define The Terms **04**  
**(B)**
  - (1) FOB (Free On Board)
  - (2) FAS (Free Alongside Ship)
  - (3) CFR (Cost and Freight)
  - (4) World bank
  
- Q.1** Short Questions **04**  
**(C.)**
  - (1) What is inventory management?
  - (2) What Risk Management in Transportation?
  
- Q.2** Detail Question  
**(A)** Explain the following criteria used to identify MNCs (a) size (b) structure **07**  
**(B.)** What is the WTO? How does the working of WTO affect the supply chain management of large MNCs? **07**
- OR**
- (B.)** Define elements of International Logistics? **07**
  
- Q. 3** Detail Question  
**(A)** What are the potential sources and indicators of political Instability? How its disturbs international supply chain? **07**  
**(B)** What is difference between product standardization versus product adaptation? **07**
- OR**
- Q. 3**  
**(A)** Discuss types of Water Transportation **07**  
**(B)** What are the different types of roles which location can play within a supply chain network? **07**
  
- Q.4** Detail Question  
**(A)** Air is one of the popular mode of International Trade, explain in detail with example? **07**  
**(B.)** What are the ways in to restructure the supply chain so as to improve its performance? **07**
- OR**
- Q. 4**  
**(A)** Do you agree that GATT has served a useful purpose and has achieved the goals? **07**

- (B) Do gray markets serve useful marketing function-for consumers and manufactures?

07

**Q. 5 Case Study****14 Marks****Malhar Mattresses**

Malhar Limited is the largest manufacturer of mattresses in India, with sales of Rs 110 crore. Malhar roughly had a 65% market share of the branded rubberized coir mattress market. In 1997, inventories and receivables were Rs 390.6 million out of a total asset base of Rs 624.5 million and total income of 1.12 billion. The PAT, Rs 40.1 million in that year, could be substantially improved by reducing the current assets in inventories and receivables. It had witnessed rapid growth in sales and market share in the mid-nineties, but from 1996 onwards sales and market share had stagnated and profitability was on the decline. In 1998, Malhar was worried about the increased competition, from other branded and un-branded mattresses, and the challenges of providing higher variety to the customers. In the wake of the already high number—126 configurations of mattresses and another 75 configurations that would come after Malhar enters into a joint venture with DuPont—the managing director of the firm is concerned that the current system of operations and supply chain are inefficient to handle the load in an increasingly competitive market. He is also worried about the huge inventory lead times when compared to the far more efficient European firms, coupled with the complexity of managing increasingly large product variety due to the unorganized nature of the furniture business in the country.

Mattress industry is in unorganized sector. In the branded segment, Malhar has a market share of 65%. Mattresses are sold through multi-brand outlets: Most of the retailers are constrained by space and credit availability. Malhar has to keep stocks close to market and provide quick and reliable service to retailer

Complementary industry (furniture manufacturing) in India was in the unorganized sector. Cots and other furniture get manufactured in wide variety of sizes and there were no standards operating in the furniture industry. Most mattress buyers would buy a cot first and then prospect for a mattress of matching size. Hence, Malhar was forced to offer a wide variety of sizes in its product portfolio. Apart from large variety, it was also expected to customize its offering (challenges in offering customization). Increased competition from the unorganized sector Firm has to manage higher variety in future, High inventory compared to European players, High receivables (May be company is following the push strategy with its retailers leading to high receivables)

**CASE QUESTIONS**

1. What is the overall supply chain of Malhar?
2. What is your evaluation of company's planning processes?
3. What are the Major problems faced by Malhar industry?

**Q. 5 Case Study****14 Marks****Shyam Cooperative Union**

The Shyam Cooperative Union was set up in the late sixties with the Anand model in mind. It had a membership of 700 village-level co-operatives spread all over the district. These 700 societies were covered by 44 truck/tempo routes which collected milk twice a day, 365 days in a year. Given the perishable nature of the product, it was important that the time lag between milking and processing should not exceed seven hours. Shyam Union had been working with same procurement routes that had evolved historically for the last couple of years. Procurement managers at Shyam Union are exploring the possibility of redesigning routes so as to reduce transportation costs. Unless they could come up with a more scientific way of designing these routes, transportation costs in milk procurement accounted for 17% of the total cost. The main objective of the union was to minimize total costs so that members (farmers) would get the highest payment per litre of milk. In-bound transportation accounts for 17% of the cost (not including milk).

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Private-sector dairies collect milk based on their requirements while co-operative dairies have to procure all the milk and cannot refuse during peak periods. It is possible for private-sector dairies to pay higher prices during the lean season (summer months) and low prices during the winter months. Consequently, co-operative dairies would get very little milk during the lean season (summer months) and excess milk during the peak season (winter months). Unless co-operative dairies are really efficient, they would not be able to compete with private-sector dairies because of the inherent disadvantages under which they work.

**CASE QUESTIONS**

1. Explain the supply chain of Shyam Union?
2. Identify the key challenges faced by Shyam Union? How important is in-bound logistics for Shyam Union?
3. If you were the owner of the Shyam Union what steps will you take to improve overall efficiency in market?