

4. What is meant by ABC analysis? Explain its significance in inventory management.
5. Write notes on :
 - a. Concept of Virtual factory
 - b. Product design

SECTION-C

6. Study the case given below and answer the questions that follow :

A company M/s Global Manufacturers Ltd. uses a Special Bracket in the manufacture of its product in which it orders from outside suppliers. The appropriate ordering statistics are :

Demand = 2,000 units per annum; Ordering Cost = Rs. 20 per order; Carrying Cost – 20%

Basic Item Price = Rs. 10 per Bracket;

The company is also being offered the following discounts on the basic price :

2% for order quantities: 400; 4% for order quantities: 1000;

Question :

What order would you recommend to M/s Global Manufacturers Ltd: on *EOQ* or on discounted quantity?

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.