

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (TM) – SEMESTER –10 • EXAMINATION – SUMMER - 2018**Subject Code: 4210101****Date: 30/04/2018****Subject Name: Materials 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.1** (a) What are the objectives of materials management? Discuss its importance and strategic role in any manufacturing organisation. **07**
- (b) Differentiate between purchase of capital equipment & other material. Explain the various points one should keep in mind while doing source selection for the purchase of capital equipment **07**
- Q.2** (a) What is classification? Discuss how materials be classified based on their usability. **07**
- (b) Bulchand & Co. Company inventories 20 items. The company decided to setup an ABC inventory system with 10% of A items, 20% of B items and 70% of C items. The company records provide the information, which is as follows: **07**

Item Code	Annual usage in units	Cost per unit (Rs.)
1	2,500	150
2	15,00	90
3	12,000	100
4	18,000	50
5	1,00,000	50
6	25,000	300
7	80,000	500
8	2,000	300
9	3,000	70
10	6,500	60
11	10,000	75
12	6,000	20
13	20,000	50
14	40,000	90
15	1,20,000	350
16	20,000	200
17	1,500	350
18	4,000	100
17	4,500	200
18	7,000	40

Categorize the following items into A, B and C categories on the basis of the information provided.

OR

- (b) Explain the term: Ordering cost, Holding or carrying cost and shortage or stock out penalty cost **07**
- Q.3** (a) What is Material planning? Discuss in detail various importance of material planning. **07**
- (b) Define Inventory. What are the different types of inventories in the production process? **07**
- OR**
- Q.3** (a) Explain all the stages of incoming material receiving procedure **07**
- (b) Discuss the various safety considerations while designing and laying out the warehouse **07**
- Q.4** (a) State the main objective of stock verification. Compare and contrast periodic and continuous verification method. **07**
- (b) Discuss the factors which are evaluated while analyzing the sources of supply **07**
- OR**
- Q.4** (a) What are advantages and disadvantages of centralized warehouses and distributed warehouse **07**
- (b) "Materials management contains an integrated process of materials flow, in, through and out of an organization". Comment on it and discuss about the reasons behind it. **07**
- Q.5** (a) State the various losses in warehouses. Explain the procedure of preventing and controlling Surplus, scrap and obsolete types of losses in warehouse. **07**
- (b) What do you mean by capital equipment? Explain the various considerations one should keep in mind while purchasing capital equipment. **07**
- OR**
- Q.5** (a) What is codification? Discuss the Mnemonic System of codification **07**
- (b) Explain the difference between purchase by competitive bidding and purchase by negotiation. **07**

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