

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

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER (4) – EXAMINATION – SUMMER 2018****Subject Code: 2840501****Date: 28/05/2018****Subject Name: International Supply Chain Management****Time: 02:30 PM To 05:30 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) MCQ 06**
- Which of the following can be considered as International Trade Milestones?
1. A. The Bretten Woods Conference      B. The creation of WTO and creation of Euro  
C. The Treaty of Rome      D. All of the above
- Which of the following is/are the perspectives explaining the relationship between Logistics and Supply Chain Management?
2. A. Inclusionist      B. Evolutionist  
C. Intersectionist      D. All of the above
- Which of the following is not an INCOTERM
3. A. FCA      B. FAS  
C. FOB      D. FAB
- In which year International Monetary Fund (IMF) was created?
4. A. 1941      B. 1942  
C. 1943      D. 1944
- Which of the following is not the theory for exchange rate determination?
5. A. PPP      B. International Rate Parity  
C. Fisher Effect      D. All of the above
- Which of the following is/are the sources of risks in international trade?
6. A. Commercial risk      B. Country risk  
C. Both      D. None of the above
- Q.1 (b) Explain following Terms: 04**
1. Arbitration      2. Jettison  
3. Roll on ships      4. Freighters
- Q.1 (c) Write a note on Marine Insurance 04**
- Q.2 (a) Explain in detail the concept of Dumping. 07**
- (b) What is the WTO? How does the working of WTO affect the supply chain management of large MNCs 07**
- OR**
- (b) What is an L/C? Explain the procedure for opening an L/C. 07**
- Q.3 (a) Explain in detail documents required for import procedures 07**
- (b) Explain in detail the concept Lax Mercatoria 07**
- OR**
- Q.3 (a) What are INCOTERMS? Explain in detail D-terms 07**
- (b) Exporters have to follow international standards of packaging, explain different types of packaging 07**
- Q.4 (a) Explain various aspects of air transportation. State its merits & demerits 07**

- (b) Explain the concept of International Supply Management. Discuss various international trade drivers. **07**

**OR**

- Q.4** (a) Discuss different types of water transportation **07**  
 (b) Write a note on custom clearance process **07**

- Q.5** **Is Apple Supply Chain Really the No. 1? A Case Study** **14**

Everything about Apple Inc is the talk of the town, for example, the new Ipad, Iphone, Apple Map or even the environmental and labor issues at its suppliers' facilities. Surprisingly, IT research firm Gartner ranks Apple Supply Chain as the best supply chain in the world for 5 years in a row. Without a doubt, Apple Inc is the world leader in Innovation, Branding and Software Ecosystem.

#### 1. Apple's Supply Chain Model

Supply Chain Planning at Apple Inc is the classic example of New Product Development Process (NPD). It's the integration of R&D, Marketing and various function under supply chain management. From the above graphic, Apple Inc accelerates the new product introduction by acquiring the licensing and 3rd party businesses. The whole process looks very similar to that of other industries. Interesting point is that Apple Inc has to make the pre-payments to some suppliers to secure the strategic raw materials.

Apple Inc purchases raw materials from various sources then get them shipped to an assembling plant in China. From there, assembler will ship products directly to consumers (via UPS/Fedex) for those who buy from the Apple's Online Store. For other distribution channels such as retail stores, direct sales and other distributors, Apple Inc will keep products at Elk Grove, California (where central warehouse and call center are located) and supply products from there. At the end of product's life, customer can send products back to the nearest Apple Stores or dedicated recycling facilities.

#### 2. Apple's Supply Chain Challenges

Apple Supply Chain has very the high risks. There are many challenges to overcome, for example,

- Global economy could affect the Company.
- Some re-sellers may also distribute products from the competing manufacturers.
- Inventories can become obsolete or exceed the anticipated demand.
- Some components are currently obtained from the single or limited sources.
- Some custom components are not common to the rest of the industries.
- Ability to obtain components in sufficient quantities is important.
- Supply chain disruption such as the natural and man-made disasters can be serious.
- Company depends on logistical services provided by outsourcing partners.
- Company also relies on its partners to adhere to supplier code of conduct.

Questions:

1. Discuss strategic aspects of Apple's Supply Chain Management
2. Discuss how can the challenges of Supply Chain can dealt for Apple

**OR**

Q.5

**Case Study of Samsung Supply Chain**

14

What is Samsung? Samsung Group is a South Korean multinational company headquartered in Samsung Town, Seoul, South Korea. It contains many different subsidiaries and affiliated businesses. Samsung was created by Lee Byung-chul in 1938 as a trading company. Over three decades, Samsung group had expanded into many different areas including food processing, textiles, insurance, securities and retail. Around the 1990s, Samsung had globalized its activities, and electronic industry especially mobile phones and semiconductors which had become the Samsung Group most important source of income. Today Samsung Electronics has proven to be one of the most successful global brands to follow. In supply chain management context, they have demonstrated the operational excellence that leads them to the supply chain hall of fame

Samsung's Supply Chain:

7 Supply Chain Transformations in Samsung are:

1) Listen to Voice of Customer 2) Adopt Six Sigma Methodologies: Based on "quality movement" in the electronics industry, Samsung believes they can improve the internal operations drastically using Six Sigma. Then they study various Six Sigma approaches from GE, Dupont and Honeywell. 3) Utilize APS (Advanced Planning and Scheduling) system: Since the electronics market changes quickly, they need to be able to create a flexible production plan. So they implement APS system which brings the remarkable success. 4) Setup Cross Functional Team: They use the system called "Voice of Business" in which they gather the internal requirements and establish an action plan based on collective decision. 5) Streamline Performance Evaluation System: Samsung gradually integrate the meritbased system and allow high performers to have the fast track career path. 6) Standardize Processes and Parts: To achieve the economy of scale, Samsung standardize processes and parts. This also enables them to manage product quality more effectively due to the ease of control 7) Establish Risk Management System: They implement a very comprehensive risk management system and their risk mitigation strategies are low inventory level, flexible capacity and redundant suppliers.

1. State major transformations of Samsung in terms of Supply Chain
2. Discuss how supply chain plays important role for Samsung.

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