



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT**  
**Post Graduate Diploma in Logistics Management**  
**Paper 2 (New)**

**Dec 2015**

**Logistics Fundamentals And Processes.**

**Date:** 13.12.2015

**Time:** 10.00 AM to 1.00 PM

**Instructions:**

- 1) Part A1 and A2 are compulsory
- 2) Part B: Answer any three questions with a maximum of two from part B1 or B2
- 3) Part C Compulsory

**Max Marks: 100**

**Duration: 3 Hours**

Total Marks=32

Total Marks=48

Total Marks=20

**PART-A**

**Total: 32 Marks**

**(compulsory, each sub-question carry 1 mark each)**

**Q.1 State whether True or False:**

- a) Logistics is an activity of managing total flow of materials.
- b) Logistics does not play a key role throughout the supply chain.
- c) Logistics is also responsible for providing after sales service support.
- d) Inventory levels cannot be reduced by lead time analysis.
- e) EDI improves accuracy due to a reduction in manual processing.
- f) Customer service is the generic component of Logistics Management.
- g) High customer turnover rate is one of the good symptoms for food inventory management.
- h) Materials handling is the primary component of Logistics Management. F

**Q.2. Fill in the blanks:**

1. SAP stands for Systems, Applications and -----
2. For many firms transportation is the highest \_\_\_\_\_ cost.
3. \_\_\_\_\_ improves accuracy due to a reduction in manual processing.
4. Transportation is a \_\_\_\_\_ component of Logistics Management.
5. Inventory levels can be reduced by \_\_\_\_\_ analysis.
6. \_\_\_\_\_ and \_\_\_\_\_ provide greater visibility to supply chains.
7. The Logistics Management is an \_\_\_\_\_ to Supply Chain Management.
8. Logistics is an \_\_\_\_\_ of \_\_\_\_\_ total flow of materials.

**Q.3. Expand the following;-**

- |         |        |        |        |
|---------|--------|--------|--------|
| a) ISO  | b) SKU | c) GPS | d) LIS |
| e) ICDs | f) ERP | g) FOB | h) TEU |

**Q.4. Match the following:-**

**Col. -- A**

**Col. – B**

1	JIT	A	General cargo rate
2	PWB	B	International Flights
3	EOQ means	C	Road Transportation
4	AWB	D	Economic order quantity
5	GCR	E	Kanban System
6	GC Notes	F	Ordering system
7	MCV	G	Passenger Trains
8	ROL	H	Category of commercial vehicles.

**PART-B**

**Total (3x16 = 48) Marks**

**Answer any three from the following questions:**

Q.5. What are the components of Logistics Management? Explain each in brief?

Q.6. What is ERP? What are its benefits?.

Q.7 (a) What does WIP ---Inventory means? Give a brief explanation.

(b) What is third party logistics service provider? Explain in brief.

Q.8. Define the term "Selective Inventory Control "and describe in details the Various types of classifications that may be used for such control.

Q.9. Write short notes (**any four**):-

a) SAP

b) JIT System

c) EOQ

d) Cost of carrying Inventory

e) Value Analysis

f) Inventory Functions

## PART-C

20 marks

**Q. 10 :Case study: compulsory**

ABC manufacturing co. produces very special kinds of Air conditioning units,

Where a part costs one rupee per unit. Annual requirement is 200000 nos. Lead time is 6 weeks. Demand is 4500 with a standard deviation of 350 per week.

The ordering cost is Rs. 50/- and the inventory carrying cost works out as 25%.

Based on these, calculate---

- a) The E. O .Q.
- b) Calculate **safety stock**.
- c) Plot the normal graph (not to scale) for E.O.Q.
- d) Derive the formula to calculate EOQ.

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