



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

June 2015

Diploma in Retail Management

Paper 3
Warehousing & Inventory Management

Date: 15.06-2015
Time : 10.00 to 1.00 p.m.

Max. Marks 100
Duration 3 hours

Instructions

1. From Part A, answer all questions Qs 1, 2 and 3 (compulsory) --Q1 (12m), Q2 (12m) and Q3 (8m) - Total 32 marks.
2. From Part B, answer any 4 questions from Q No.4 to Q9.. Each question carries 12 marks (total 48 marks)
3. Part C, Q No. 10 (Case Study) is compulsory.(20 marks)

PART A

Q1. Answer the following as per instructions. (Attempt any 12 out of 18 carrying 1 mark each – total 12 marks)

Select the right option

1. A Warehouse layout decisions depend on
A) XYZ analysis (B) HML analysis
C) FSN analysis (D) SOS analysis

Ans: (1) A, C & D (2). B, C & D
(3) A, & B (4) . none of the above

2. In CMI, the replenishment requisition for an imported item is triggered by
(1) Customer's buyer (2) Vendor's SCM officer
(3) Customs Officer (4) None of the above

3. The Master Production Schedule read with Bill of Materials results into
1) SDE analysis 2) MRP 3) MRP II 4) WIP

4. As an objective of MH, it is essential to have more:
(a) Cubic space focus (b) Standardized packages

5. Narrow Aisle trucks have a lift capacity and lift height of:
(a) 1.5 tons, 15 meters (b) 2 tons, 20 meters.

6. In Stores, Fast Moving FG Items are stored:
 (a) Near production lines (b) near Packaged goods area
7. While product Mix has a value adding role, the trade off aspect is:
 (a) Stock outs (b) Order filling.
8. A Network whose devices are located in close proximity to one another is called:
 (a) LAN (b) Mini load AS/RS
9. Where goods are stored prior to inspection of items, it is termed as:
 (a) Transit store (b) Quarantine Store
10. Routine reports and MIS related to the Stores function include:
 (a) Inventory held vs Norms (b) Price paid to suppliers.

State TRUE or FALSE

11. Moving average method is used in inventory control

12. The machine break downs is a factor to be avoided for JIT.
13. The problem of unreliable vendors can be skipped by adopting JIT.
14. Cross docking demands the material is received only when the Issue Order is on hand.
15. The EOQ formula helps in adequate stocking of materials in any warehouse.
16. Once inventory reduction is achieved, the physical stock and the book stock need not be tallied.
17. Only when the Issue Order is on hand, Cross docking is possible
18. Material movement and handling add value to the product.

Q2. Fill in the Blanks: (Attempt any 12– one Mark each – total 12 marks)

1. Carousels are a form of _____ mechanical devices, and are available as _____ & vertical systems.
2. A reduction in lead time implies _____ safety stocks.
3. Uncertainty is the mother of _____
4. We maintain stocks to avoid _____
5. The ____ theory and the ____ theory could be used for review for replenishment
6. For a marketer the retailer's aisle is the _____.
7. For the retailer _____ offers the most cost effective tool for indoor advertisement.

8. Packaging in _____ is generally not moisture sensitive, but is heat sensitive.
9. Product flow is a two-way flow in today's environment, because of the growing importance of _____ system for returned products that are unacceptable to the buyer.
10. Companies concerned with environment will require developing _____ system to dispose of packaging materials or used products.
11. Cross docking is an operation that facilitates the Product ____ function.
12. In one of the best macro approaches to Warehouse location, 3 types of _____ location strategies have been identified:
 - (i) market positioned, (ii) production positioned, and (iii) _____ positioned.
13. Main gangways in designing a Stores building must be _____ for two of the largest vehicles or mechanical equipment likely to pass each other without collision.
14. There are two methods normally adopted for designing the layout of the Stores
 - (a) Judgment method (b) _____ method.

Q3. (Total 8 marks)

1. Match the following: (4 marks)

1	Glass	A	Hygroscopic
2	Wood	B	Recyclable
3	Metal	C	Chemically inert
4	Paper	D	Not eco friendly

2. (4 marks – Attempt any 2 out of 4.)

- a. Distinguish between 3PL and 4PL.
- b. Distinguish between VMI and CMI
- c. What is POP display?
- d. What do you mean by “Shelf Life”?

PART B

(Answer any 4 questions from Q4 to Q 9 –each Q carrying 12 marks – total 48 marks)

- Q4.** (a) Explain various methods of inventory valuation (6 marks)
(b) Explain various types of inventories (6 marks)
- Q5.** (a) How would you calculate the inventory carrying cost and the Purchase Order cost? (6 marks)
(b) Why does a good buyer try to balance these? (6 marks)
- Q6.** Write briefly on any 3 of the following (3 x 4 m = 12marks)
(a) Value added role of logistics & warehousing
(b) MRP I & II & DRP
(c) Inventory & Cash to Cash cycle
(d) RFID
(e) Warehouses & Safety Practices.
(f) Role of bar coding in WH discipline.
- Q7.** State the principles of warehouse design and its application for warehouse handling white goods, furniture and lifestyle products
- Q8.** Speed and accuracy of warehouse dictate the customer service level. Discuss this for warehouse dealing in general merchandize.
- Q9.** In the area of Retail Packaging, answer:
(a) Major contamination risks that need prevention in food packaging?
(b) The ethical aspects in packaging formats for Alcoholic & Tobacco Packaging.
(c) State a few key attributes of a good Retail Ready Packaging (RRP)?

PART C

Q10. Case Study (compulsory – 20 marks)

A customer order triggers multiple transaction points in any organization's information flow system.

State an assumed situation of a customer order, and bring out the several salient transactional points, especially where inventory of different types are located in the inbound, in plant and outbound operational areas of a Company. (in short the Supply Value Chain)
