Indian Institute of Materials Management
Graduate Diploma in Public Procurement

Paper No.4
Logistics & E-Procurement

Date: 16.12.2014
Time: 10.00 am to 1.00 pm
Max Marks: 100
Duration: 3 Hours

Instructions:
Part A contains 4 questions, each question carries 10 marks. Attempt all 4 questions
Part B contains 7 questions, attempt any 4 questions. Each question carries 15 marks.

Part-A
Answer all four Questions. Each question carries 10 Marks. Total 40 Marks for this section.

Q1. State True or False: 10 marks
1.1 Product Markets are becoming increasing commoditized.
1.2 Logistics and the delivery of materials can basically be considered as a flow process.
1.3 Enclosed vehicles are used for most goods as they form the outer layer of protection.
1.4 Light goods in sufficiently strong packaging can lead to goods stacked on top of each other.
1.5 The most important aspect of a contract is to indicate when and where the ownership of goods pass from seller to the buyer.
1.6 Internet technology is currently used for logistics optimization.
1.7 International trade does thrive on credit.
1.8 Imports are necessary in spreading and reducing supply failure risk.
1.9 Selling prices are increasingly driven by market demand rather than the cost of production.
1.10 Logistics costs often make up 20-30% of the total procurement cost of an item

Q2. Write the full form of the following abbreviations as used in the context of public procurement. 10 marks

| 2.1 FMCG | 2.2 NAFTA | 2.3 DDU | 2.4 RO-RO | 2.5 DEQ | 2.6 WTCA | 2.7 WIPO | 2.8 TTOD | 2.9 KPI | 2.10 CDC |

Q3. Fill in the blanks. 10 marks
3.1 The logistic function provides the ........... between an organization, its customers and suppliers.
3.2 The internet Technology is currently used for logistics ...............
3.3 Tracking the movement of inbound supplies is ........ to many industries particularly those working on JIT basis.
3.4 International contracts are subjected to greater ..... than national contracts.
3.5 It is important not to cut ........ in the process of developing supply alliances.
3.6 The longer you can ............ use a vehicle, the better investment it will make.
3.7 The cost of depreciation will depend on the ...... of the vehicle and the ...... of the depreciation period.
3.8 Ship brokers may .......... ship owners or charterers.
3.9 Liner agents are …………… between shippers and liner operators.
3.10 Open vehicles are used more frequently to carry ….. materials.

Q4. **Match the following:**

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
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<tbody>
<tr>
<td>1. Role of Packaging</td>
<td>a) the buyer must arrange and pay for carriage.</td>
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<td>2. Containers</td>
<td>b) are undertakings by the buyer to pay at a later date.</td>
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<td>3. Maritime Transport operations</td>
<td>c) offering protection, optimizing volumetric capacity and facilitate handling.</td>
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<td>4. Post pallets with high sides</td>
<td>d) the supplier must deliver the goods at a designated point at the end of journey.</td>
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<td>5. Ex-works</td>
<td>e) carried on flat topped open vehicles.</td>
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<td>6. Under F-Terms</td>
<td>f) is to ensure that your supplier is a reliable partner.</td>
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<td>7. Under D-Terms</td>
<td>g) are useful to hold a number of items of different sizes.</td>
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<tr>
<td>8. Under C-Terms</td>
<td>h) conference lines, non-conference lines &amp; route tramping.</td>
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<td>9. Bills of exchange/ &amp; promissory notes</td>
<td>i) places minimum responsibility on the seller and maximum responsibility on the buyer.</td>
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<td>10. Main issue in any procurement transaction</td>
<td>j) the supplier must arrange carriage and in some cases insurance.</td>
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**PART- B**

Attempt any four questions. Each Question carries 15 marks. **Total 60 marks**

Q5. Explain the correlation between logistics and supply chain. What are logistics costs and what efforts are needed to reduce the same?

Q6. Explain the importance of transport documents in international shipments? Indicate some of the main documents.

Q7. What are INCOTERMS, indicate them? What are its transport implications.

Q8. Write short notes on any three.
   a) Import risks.
   b) Documentary letter of credit.
   c) Payment methods in imports.
   d) Outsourcing the transport function to a third party service supplier.
   e) Role of material handling equipment in transportation.
   f) Fixed and variable costs for operating vehicles.
   g) Functional stages in logistics system.

Q9. What is e-procurement? What steps are needed to prepare an organization to start the same?

Q10. Why is pre-shipment inspection of cargo important? Also explain the currency exchange risk.

Q.11 How will you select the location of a warehouse or House yard? Elaborate your considerations.