PART A
Total 32 marks
(compulsory- each question carry one mark)

Q.1 Please state whether the following statements are “True” or “False”. Please do not rewrite the statements while answering in answer book. [Total : 12 Marks]

1) Vendor list updating is not important in purchasing.
2) Purchase manager should not have thorough knowledge of Customs, taxes & excise duty.
3) Communication skill is not required in purchasing.
4) Open tender is advertised in newspapers.
5) Bulk liquid chemicals are transported in open truck.
6) Quality and energy efficiency of equipment is important in purchasing.
7) “Force Majeure” forms part of Purchase Contract.
8) Purchasing is just clerical function.
9) Transit Insurance is part of purchase order.
10) Negotiation skills are required while purchasing.
11) Strategic planning is influenced by legislation and government regulations.
12) Green Purchasing deals with procurement of green colored items.

Q.2 Match the following: [Total : 8 Marks]

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
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<tbody>
<tr>
<td>(1) BPR</td>
<td>(A) ERP</td>
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<tr>
<td>(2) CENVAT</td>
<td>(B) Quality</td>
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<tr>
<td>(3) TQM</td>
<td>(C) AWB</td>
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<tr>
<td>(4) SAP,ORACLE,BANN</td>
<td>(D) JIT</td>
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<td>(5) Dispatch by Air</td>
<td>(E) B/L</td>
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<td>(6) Shipment by sea route</td>
<td>(F) Transit Damages</td>
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<tr>
<td>(7) Insurance Claim</td>
<td>(G) Excise Duty</td>
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<tr>
<td>(8) Inventory Control</td>
<td>(H) Fundamental thinking for improvement</td>
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Q. 3 Fill in the blanks : [Total : 4 Marks]

a. Cross functional team is a group of ------------------ from various functional areas
b. In learning curve, ----------- should decline with each succeeding unit produced.
c. Material handling is the -----------, moving & unloading of the materials
d. Delegation of ------------ is always good for effective working of Purchase department in any company.

Q. 4 Write the full form of the following. (1 Mark each) [Total : 8 Marks]

(1) FOB; (2) CIF; (3) L/C; (4) SRM;
(5) SCM (6) JIT; (7) ERP; (8) BPR

PART B [Total 48 marks]

Write any THREE out of the following five questions i.e, Q.5 to Q.10: (16 Marks each)

Q.5 Discuss various terms & conditions of a purchase order. List out various payment terms used in import procurement.

Q.6 Elaborate the evaluation and selection procedure of vendors. What is the significance of vendor's location?

Q.7 Discuss the purchase procedures of government departments.

Q.8 What are the main elements of ethics code? What should be the qualities of ethical purchaser?

Q.9 Define negotiation? What are negotiation strategies?

Q.10 Explain the purchase procedure. What are the steps in purchasing?
Vora Industries Limited a 300 cr. company at Madras by Mr. Sujit Vora a manufacturer of different automobile Components.

This firm is been operated in a highly competitive environment. The effective & efficient review by management takes place very regularly. They have after sales & product support divisions. Also they provide spare parts to the customers through their dealers.

This firm is having complete computerization. They also have ERP system. Company mostly focused on the satisfaction & expectation of the present & potential customers to know more about customers some initiatives has taken like:

a) Understanding customer requirements.
b) Determination of key products benefits to the customers.
c) Identifying and assessing competition in the market.
d) Establishment & implementation of various documented procedure.
e) Assessment of customer needs & satisfaction.

Now Mr. Sharma has been assigned the responsibility of increasing the production by 45% along with his new team.

Explain following questions-

1) Comment on - quality policy of this company is satisfactory or not to achieve competence in customer delightment.
2) What will be the benefits of ERP system to this firm for automation?
3) To increase the production by 45% what need to be done by Mr. Sharma.
4) What are the strategies you would suggest to strengthen the supply chain?