Part A

All Questions compulsory. Each question carry 8 marks

Q.1. Match the column (a) & (b) and write the right answer in blank

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 DDP</td>
<td>Delivered Duty Paid</td>
</tr>
<tr>
<td>2 Excise duty is payable on</td>
<td>Deming Cycle</td>
</tr>
<tr>
<td>3 PDCA is called as</td>
<td>Before the goods move out of factory</td>
</tr>
<tr>
<td>4 There is no sales tax for</td>
<td>Goods &amp; service tax</td>
</tr>
<tr>
<td>5 Landed cost</td>
<td>Is applicable for inter state sale</td>
</tr>
<tr>
<td>6 GST is</td>
<td>Attract service tax</td>
</tr>
<tr>
<td>7 CST</td>
<td>Stock transfer</td>
</tr>
<tr>
<td>8 Services</td>
<td>Includes price plus all the levies, freight, insurance etc</td>
</tr>
</tbody>
</table>

Q.2. Fill in the blanks

1. Enterprise requiring as asset is known as ---------------
2. RFID is a short form of ---------------------------------
3. Owner of an asset given on lease is ---------
4. SKU in retail means -----------------------------
5. Purchase order becomes a valid contract when it is _________& _________ by purchaser and supplier.
6. The first document used in purchase cycle is purchase ____________
7. As and when need arises, buy from the market at the ruling market in is called -------------- --
8. Lead time and delivery time is __________________ same
Q. 3.  Confirm True or False
1. CBDT stands for Central Board of Direct Taxes
2. ABC, XYZ, VED are selective control of inventory
3. Bill of lading may be negotiable or non-negotiable
4. Perpetual Inventory taking necessitates closing down of receipt & issue.
5. ISO full form is International Standard Organization.
6. Among supplier relationship in case of critical items, we have distant relationship.
7. The smaller the safety stock, the greater the risk of running out of stock
8. There are six Incoterms

Q. 4.  Give Full Form of Following Abbreviations
1. JIT
2. MILK RUN
3. INCOTERMS
4. DECREMENTAL VALUE
5. MRP
6. LANDED COST
7. EOQ
8. WIP

Part B
Answer any 3 Questions. Each question carry 16 marks

Q. 5
1. Describe importance of purchasing to organization in increasing its profits
2. What are the objectives and scope of purchasing dept. in an organization
3. Explain various reasons for purchase order amendment

Q. 6
1. What are the legal aspects of purchasing and explain its importance
2. Illustrate various responsibilities of purchase dept.
3. Describe material classification & codification and its use in purchase function.

Q. 7
1. What is MRP. How the same is used in planning materials for purchase.
2. How the various types of materials are planned for purchase.
3. Explain the good qualities required in leading negotiation to success.

Q. 8
1. Draw a typical flow chart for Purchase Dept.
2. Explain key activities in purchase process
3. What are Guarantee and Warranty?
Q. 9  Write short notes on: (any two) 8 marks each

1. Delivery terms
2. Delivery schedule
3. VAT
4. Performance Guarantees

Part C
Compulsory 20 marks

Q. 10. Prepare a purchase order by using all applicable terms and conditions that you have learnt for M/s ABC Engg, Mumbai for their purchase of 1000 mtrs of GI pipe, from supplier M/s TATA Steel, Mumbai at an agreed rate of Rs.350/- per mtr. You may assume suitable other terms like discount, VAT, delivery terms, schedule of delivery, payment etc.

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