Q.1 Please state whether the following statements are “True” or “False”. Please do not rewrite the statements while answering in the answer book. (1 Mark each)

a) A central purchasing organization is not assigned to a company code.
b) Procurement has larger scope than purchasing.
c) Vendor code is used for knowing the performance of vendor only.
d) Cost comparison among vendors is done on landed cost basis.
e) ERP is not very effective tool for right purchasing.
f) P.O. is equated with contract.
g) Out sourcing is always beneficial for the organizations.
h) Vendor rationalization is one of the best ways to retain only performing vendors.

Q.2. Give full-form of the following (1 mark each)

i) QMS  ii) MRP II  iii) EERP  iv) PSU
v) QCD  vi) CBEC  vii) VM  viii) TQL

Q.3. Match the following entries in column A with entries in column B (1 mark each)

<table>
<thead>
<tr>
<th>Column “A”</th>
<th>Column “B”</th>
</tr>
</thead>
<tbody>
<tr>
<td>A  ERP</td>
<td>1  Quality of product</td>
</tr>
<tr>
<td>B  Right Source</td>
<td>2  To minimize risk</td>
</tr>
<tr>
<td>C  The differing time horizons</td>
<td>3  Comparing with the best</td>
</tr>
<tr>
<td>D  Benchmarking</td>
<td>4  Optimum utilization of resources</td>
</tr>
<tr>
<td>E  Zero defects</td>
<td>5  Levies on manufacturing</td>
</tr>
<tr>
<td>F  Value Engineering</td>
<td>6  Demand forecasting</td>
</tr>
<tr>
<td>G  Hedging</td>
<td>7  Systematic method to improve the value of goods</td>
</tr>
<tr>
<td>H  Excise</td>
<td>8  7 R mantra</td>
</tr>
</tbody>
</table>
Q.4 Fill in the blanks (1 mark each)
1) A gift is a voluntary act which does not require any thing in __________.
2) Delegation of __________ is always good for effective working of Purchase department in any company.
3) Cross functional team is a group of ______________ from various functional areas.
4) Forward buying is the process of committing to a __________ purchase.
5) In learning curve, __________ should decline with each succeeding unit produced.
6) BPO is a form of ______________ that involves the contracting of the operations.
7) Material handling is the __________, moving & unloading of the materials.
8) Objective of purchase is to get best __________ for the each rupee spent on purchase.

PART B

Write any THREE out of the following five questions i.e, Q.5 to Q.9: (16 Marks each)

Q.5.a) You are heading Purchase department in an electronics company & you have to prepare the Purchase budget for 2015-16. What steps you will take to do the same?

b) Define difference between Ethics & Law. Explain IIMM code of ethics.

Q.6. As a Purchase Manager, you are negotiating a price for buying major components for your finished product. How you will do the price- cost analysis.

Q.7. Purchase Manager can play very important role in cost reduction. Explain it with suitable examples from your organization?

Q.8.a) Explain Green buying

b) How to reduce lead time.

Q.9. Short Notes: (any four)

a) Working of DGS&D
b) Ship to codes
c) CVC
d) BPO
e) Co operative purchasing
f) Value Management
MNO Ltd is a multinational company having its head office overseas and engaged in the field of health care products having three manufacturing units in India. Although company is having number of vendors on their vendor list, yet supply of quality materials rarely on time. This is stopping production line frequently. Back log of orders are increasing with every passing day. Customers are not happy with erratic supplies. Due to inadequate systems, poor visibility and other reasons, inventories are very high for the materials which are not required for the time being.

Mr X is appointed Head Purchase & assigned the task for streamlining the purchase operations & ensure uninterrupted supplies of the required materials. Company is looking for re engineering the total process to take care of above problems. Please help Mr X & suggest ways to improve the following:-

Answer the following questions:

a) How to ensure uninterrupted supplies of required quality materials on time?

b) How to build a strong base of responsive vendors?

c) How to improve the quality of components?

d) How to generate an effective communication & coordination system among all the three units & vendors for effective working?

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