



Name :

Roll No. :

Invigilator's Signature :

**CS/MBA (Old)/SEM-(3 FT & 5 PT)/MB-304/2009-10
2009**

MATERIAL MANAGEMENT

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives of the following :

10 × 1 = 10

- i) Zero Inventory is also known as
 - a) EOQ
 - b) P-system
 - c) JIT
 - d) none of these.
- ii) Negotiation can be applied in matter related to
 - a) Knowledge
 - b) Delivery lead time
 - c) Value analysis
 - d) Cost consumption.
- iii) Which of the following guidelines cannot be considered for determining right price ?
 - a) Quality
 - b) Business relationship
 - c) Cost-benefit
 - d) Delivery time.



- iv) Which of the following is not a technique of Vendor Rating ?
- a) Categorical b) Weighted point
c) Weighted categorical d) Cost ratio.
- v) GOLF analysis is based on the nature of
- a) cost b) closing stock
c) suppliers d) quality.
- vi) The BOM may be of types.
- a) 2 b) 3
c) 4 d) 5.
- vii) *P* system represents fixed order
- a) present system b) primary system
c) period system d) probability system.
- viii) Which of the following factors should you follow for 'Make' decision ?
- a) Receiving cost b) Small volume
c) Cost of capital d) Certified supplier.
- ix) Most useful method of disposal of scrap is
- a) Public auction b) Annual contract
c) Tender d) none of these.
- x) The average material expenditure in newspaper industry is
- a) 70% b) 65%
c) 45% d) 35%.



GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. Point out the concept of disposal of surplus and scrap.
3. Define Material Budget. How is a material budget prepared ?
4. State the purchasing system of manufacturing industry.
5. How can MIS be used for effective materials management ?
6. Briefly indicate the necessity of material classification, codification, and stock verification for a large tailor made manufacturing engineering organisation.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. What is MRP system ? Enumerate the steps of MRP system.
Discuss the role of MPS in MRP. $2 + 5 + 8$
8. What principles should you follow in case of ABC analysis ?
Does there any limitations exist in ABC analysis ? Show the
combined technique of ABC and VED anslysis. $4 + 5 + 6$
9. What do you mean by JIT ? Discuss its features and
benefits. Distinguish between conventional system and JIT.

$2 + 7 + 6$



10. a) State the two costs associated with determination of EOQ.

b) Automotive gears manufacture a wide variety of gears for the replacement market. Since variety is large, it allows orders to accumulate before undertaking manufacture of any gear. The firm estimates back orders cost on the average of Rs. 5 per unit for record keeping.

i) How many units should the firm produce in each production run of a gear for which following data is available ?

Annual consumption = 18,000

Manufacturing cost per unit = Rs. 48

Set-up cost per production run = Rs. 480

Inventory carrying cost = 18%

ii) Determine the units that can be back ordered at the indicated shortage cost.

iii) How much company will lose if no stock-outs are permitted ? $5 + 3 + 2 + 5$

11. Write notes on any *two* of the following : $2 \times 7 \frac{1}{2}$

a) Stores Accounting and Verification

b) ERP

c) Store Location and Layout

d) Product Tree.

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