



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management

June 2013

PAPER No. 12

Packaging ,Distribution & Retail Supply Chain Management

Date : 15.06.2013
Time : 10.00 a.m to 1.00 pm

Max. Marks :100
Duration : 3 Hrs.

Instructions:

1. From Part A – Answer all questions (compulsory). Each sub questions carries 1 mark. **Total : 32 Marks**
2. From Part B – Answer any 3 questions out of 5. Each question carries 16 marks. **Total : 48 Marks**
3. Part C is a case study (compulsory) with questions. Read the case study carefully and answer the questions **Total: 20 Marks**
4. Please read the instructions given in the answer sheet

PART – A

Q.1 : Select the Appropriate Alternative & Re-write the Statements **12 Marks**

1. A company's channel decisions directly affect every
 - a) Customer's Choices
 - b) Employee In Channel
 - c) Competitors Action
 - d) Channel Members

2. An advantage of a channel of distribution over selling direct to consumers is that each channel member plays a
 - a) Disciplinary Role
 - b) Specialized Role
 - c) Time-Saving Part
 - d) Decisional Role

3. Physical distribution means
 - a) The Movement Of Materials & Components Inside A Firm
 - b) Movement Of Goods Outward From The End Of The Assembly Line To The Consumer
 - c) Movement Of Materials Received From The Suppliers
 - d) All Of The Above

4. The retailers will be able to generate higher profits if he select the markets which are
 - a) Measurable, Accessible & Substantial
 - b) Bigger, Responsive & Higher Returns
 - c) Nearer, Bigger & Attractive
 - d) New, Scattered & Monopolistic

5. The fundamental principle(s) guiding transportation management & operations management is /are
 - a) Economy Of Scale
 - b) Economy Of Distance
 - c) Economies Of Scope
 - d) Both A & B Above

6. Consolidation in transportation
 - a) Reduces Cost Of Transportation
 - b) Reduce Time For Delivery
 - c) Both A & B
 - d) None Of The Above

7. Packaging is done to make
 - a) Only Material Handling Cost Effective
 - b) Only Transporting Cost Effective
 - c) Both A & B
 - d) None Of The Above

8. The main functions of packaging is
 - a) Product Identification
 - b) Price Marking
 - c) Breaking Down Products In To Saleable Units
 - d) None Of The Above

9. When goods are transported by truck and water is it called
 - a) Piggy Back
 - b) Fishy Back
 - c) Train Ship
 - d) Air Truck

10. The major disadvantage of a multichannel system is that it is harder to control and it can generate
- Declining Employee Morale
 - Inefficiency
 - Greater Conflict
 - Less Net Profit
11. The first step in designing a marketing channel is :
- Identifying What Consumers Want From The Channel
 - Evaluating Intermediaries
 - Identifying Channel Objectives
 - Exploring International Opportunities
12. The major constraint of the organized retail market in India is the competition from
- Un-Organized Sector
 - Multi -National Companies
 - Domestic Companies
 - Co-Operative Stores

Q.2 : State “ True or False “

12 Marks

- The functions of a package are to – contain, preserve, protect, present & dispense
- In case of development of Industrial packages, the main emphasis is laid on presentation
- While developing packages for overseas consignments due considerations to be given to mode of transport & distance to be travelled.
- The distribution channel works as a means of moving goods from producers to final consumers by overcoming time, place & possession gaps
- While selecting a channel member, the financial strength of the prospective partner should not be a criteria.
- The growth of containerization depends on the development of a multi-modal transportation network In the country
- Airway bill is a bill raised by a seller on buyer towards sell of goods.

- 8) Most transportation rates are based on the volume and size of specific shipments.
- 9) A Demand Forecast is merely a prediction based on inchoation of the level of a future situation.
- 10) The basic function of distribution audit is to assess the capability of the system to achieve desired objectives.
- 11) The customers define loyalty on their terms and not on the retailers.
- 12) Balancing inventory does not reconcile supply availability with demand.

Q.3 : Match the Columns :

08 Marks

Column A		Column B	
1	Packaging	A	INCO Term
2	Distribution Channel	B	Inventory Control
3	Rail Transport	C	Bill Of Lading
4	Green Packaging	D	Bulk Consignments
5	Sea Transport	E	Eco-Friendly Packaging
6	Plastic packaging	F	Product Protection
7	Free On Board (F.O.B.)	G	Lower Freight Rates
8	Distribution Resource Planning	H	Vertical marketing system

PART -B

Answer any 3 questions out of 5 questions from Serial No 5 to 9 (16 x 3 = 48 marks)

Q.4

16 Marks

- a) What are the main objectives of packaging and the functions it serves ? Explain with illustrations.
- b) Describe the role of logistics in the distribution channel of the Firm.

Q.5 :

16 Marks

- a) What is "Containerization"? What are its advantages & disadvantages ?
- b) What are the main functions of channel members in distribution activities? Explain with illustrations.

Q.6 :

16 Marks

- a) What are the Direct & Indirect costs involved in transportation of Goods?
- b) What are the various materials used in logistical packaging? Discuss their relative advantages & disadvantages.

Q.7 :

16 Marks

- a) What are the different modes of transportation used in India? Explain advantages & disadvantages of any two of them.
- b) Why is the Customer Service so important in retailing and how should a retailer determine which service to offer?

Q.8 : Write Short Notes (Any Four)

16 Marks

- 1) Roll of Information Technology in Channel Management
- 2) 3 P's of packaging & its importance
- 3) Green Packaging
- 4) Factors considered for selection of Channel Members
- 5) Incoterms
- 6) Vendor Managed Inventory

PART-C (compulsory)

20 Marks

Q. 10. Case Study

M/s. Vanity Products Limited (VPL) manufactures decorative fixtures and fittings for modern houses. VPL's products are generally sold through the chains of retail shops which accounts for 80% of their business.

Presently, the retail shops place their orders on the company's distributors and the consolidated orders are placed by the distributors on the company. The company delivers the products to the distributor's warehouses for onward selling to retail shops. The company also uses EDI system for networking with its distributors to facilitate efficient order management.

M/s. Modern Electronics is one of the major distributors and associated with the company over more than two decades. In view of the growing competition at the market place not only in terms of price but also on delivery time, this distributor has now proposed to the company (VPL) for dispatching the products directly to the retail shops rather than through them to reduce delivery time to retail shops. The company appreciates the problem of Modern Electronics & expecting similar proposals from other distributor too, very soon.

The issue came for discussion in one of the Management Review Meetings of the company. The logistics manager expressed his concern over impact of direct deliveries to retail shops on increase in the transportation costs. He opined that the numerous runs of small volume will be needed to meet every retail customer to maintain shorter lead-times. Besides inventory carrying cost of the company would be going up as the distributors will not be using their facility and the shipment would be directly going from the company to the retailers.

Questions

- a) Identify the prevailing distribution problems of the company (5)
- b) How the logistics scenario will undergo a change as a result of distributor's latest proposal ? (5)
- c) What are the reasons for logistic Manager's apprehensions to the proposal made ? (5)
- d) What logistical solutions you will suggest to solve prevailing problems ? (5)
