



INDIAN INSTITUTE OF MATERIALS MANAGEMENT  
Post Graduate Diploma in Logistics Management  
Paper 3

Dec 2011

**STRATEGIES AND ORGANIZATION IN LOGISTICS**

Date: 12.12.2011

Max Marks: 100

Time: 10.00AM to 1.00PM

Duration: 3 Hours

**Instructions:**

- |                                      |                |
|--------------------------------------|----------------|
| 1) Part A- Answer all questions      | Total Marks=32 |
| 2) Part B-Answer any three questions | Total Marks=48 |
| 3) Part C -Compulsory                | Total Marks=20 |

**Part A**

Q.1. Fill in the blanks.

Marks(8)

- a) Logistics adds value when \_\_\_\_\_ is positioned correctly.
- b) Operational performance deals with the \_\_\_\_\_ time from order receipt to delivery.
- c) Logistical service is a balance of service priority and -----.
- d) Determining the location of plant & warehouse is ----- decision.
- e) procurement can be defined as purchase of materials and -----
- f) Transportation involves selection of -----
- g) Rapid response is concerned with firms ability to satisfy -----
- h) Customer service has ----- elements

Q.2. State True or False

- a) Logistics involves the integration of many things-
- b) Performance cycle is necessary to complete order to delivery operations-
- c) Logistical integration occurs both in time and across geography-
- d) Logistics must be managed as a core competency.
- e) over all logistical management is concerned with operations and coordination.
- f) Logistics has been called by channel management. –

g) Logistics play a key role in the economy. –

h) Inventory levels are linked to customer service levels.-

Q.3. Match the following.

Sr.No.		Sr.No.	
A	QR.-	I	Quick Transit service
B	Efficient consumer responses-	II	Determining maximum level
C	Imprest stock control-	III	CN note
D	RO/RO service	IV	The order processing system
E	LTL	V	Selective inventory control
F	ABC method	VI	Less than truckload
G	QTS-	VII	Information based technology
H	Goods consignment note	VIII	Intermodal services

Q.4. Explain the following.

i) H-M-L.

ii) S-O-S

III)S-D-E

IV) AGVS

V) LR

VI) FAK

VII) BL

VIII) CAN

**PART – B (any three from following ) 16marks each**

Q.5.a) What do you mean by Logistics management?

b) What are the basic objectives of a good logistical system?

Q.6. How does the logistics activities drive Total logistic costs.

Q.7.What considerations should employed to identify the appropriate customer service measures.

Q.8.Explain the concept of regionalization of trade, and describe how it affects logistical challenges and performance?

Q.9.Discuss how functional integration can benefit logistics and the firm as a whole ?

**PART- C (20 marks)**

Q.10. Case Study.....

Suman industry manufactures fans, wall fans and roof extractors for industrial use. Their products are sold in Chennai & Mumbai. Fans are manufactured at Chennai and shipped to Mumbai for distribution. As competition in the industrial fans market is vigorous. The company is looking “inwards” for increasing profitability.

The warehouse at Mumbai while holding all types of industrial fans also stores various spare parts for product support. Due to this the warehouse is reporting high inventory costs, shortage of space and customer dissatisfaction in general.

The Vice president in charge of logistics asked for a comprehensive report. And following findings have been reported.

1. Some items were outdated, some were damaged, some were rejected goods still lying in warehouse.

2. An ABC analysis of inventory identified fans as “A” category and other items into “B” & “C” categories.

3 ) following information refers to the pedestal fans

Annual demand : 36,000 units

Unit price Rs: 4,000/-

Ordering cost is Rs. 500 per order.

Inventory carrying cost:25% of unit price per annum.

Questions:a) What measures do you suggest to resolve the problems reported by VP's staff ?

b) Calculate the EOQ for pedestal fans from the information provided in the case?