



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Logistics Management

Dec 2011

PAPER-5
LOGISTICAL SYSTEM OPERATION

Date: 10.12. 2011
Time: 2.00 p.m. to 5.00 p.m.

Max Marks: 100
Duration: 3 Hours

Instructions:

- 1) Part A- Answer all questions
- 2) Part B-Answer any three questions
- 3) Part C -Compulsory

Total Marks=32
Total Marks=48
Total Marks=20

Part A

Q.1 True or False

- a) Stores becomes part of the company's distribution network.
- b) Location of the stores is of primary importance.
- c) Temporary stores huts are used during emergencies
- d) Stores layout starts with a stock list.
- e) There are two methods for designing the layout of a store.
- f) Target level replenishment system is a fixed order interval system.
- g) Reactive inventory system don't wait for customer demand.
- h) Fair share allocation is the inventory planning method.

Q.2. Fill in the blanks.

Marks(8)

- a) _____ considers multiple distribution stages.
- b) _____ analysis is based on Pareto's law.
- c) _____ support system includes data manipulation capability.
- d) A _____ technique may or may not consider the past.
qualitative -
- e) Time series focus entirely on _____ patterns.

Historical

f) In _____ smoothing the alpha factor is selected.

Exponential

g) _____ stock is also known as Buffer stock.

h) The service level is a target specified by _____

Q.3. Give full-form of the following.

i) ECR

ii) CLM

III) AFTA

IV) UPS

V) MAD

VI) OECD

VII) COFC

VIII) ICC

Q.4 : Define in term: Any 4

1) Error measurement

2) cycle inventory.

3) inventory control.

4) Spot stock

5) Consumer packaging .

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

- Q.5 a) Explain the following “ A warehouse should merely consist of a set of walls enclosing an efficient handling system ?
- Q.6) Explain in detail how different techniques of forecasting are useful in business ?
- Q.7 a) Explain approaches for developing forecast?
b) How is location fixed for a warehouse ?
- Q.8. a) How can inventory management capabilities take advantage of the potential of expert systems?
- Q.9. Write short notes (Any four)
- a) Types of Warehouses
 - b) ABC analysis .
 - c) Spot Stock.
 - d) inventory management goals?
 - e) Advantages of DRP

PART- C

Q.10. Case Study....

ABC Limited manufactures air conditioners of different sizes and types. For manufacturing air conditioners, most of the components are purchased from vendors: only the company undertakes some critical machinery work before the various components are used for assembly. The company has manual inventory control system. This system is not able to provide timely information to produce various components. In order to overcome this problem the company wanted to install computerized inventory control system. For this purpose, the company hired an information system analyst. He undertook a study of the present inventory control system so that he could design job standardized forms in which relevant information about purchasing and usage of various components should be given for production department and accounting department. However, he has surprised to find that each department had a different view of what should go in the forms.

Questions:

- 1) Identify the possible reasons & give your comment for differing views of various departments with regard to contents of the forms?
- 2) Advise about the contents of forms , which will be useful for the computerized inventory control system