



M.Com. (Semester – III) Examination, November 2018
COO3B4N : MATERIALS MANAGEMENT (OA-18)

Duration : 3 Hours

Max. Marks : 60

Instructions : 1) This paper consists of **nine** questions.

2) Question No.1 consists of **5 compulsory** questions of **2 marks each**.

3) Answer **any five** questions from question **2, 3, 4, 5, 6, 7, 8** and **9**.

4) Figures to the **right** indicate marks.

1. Answer the following questions. (5×2=10)
 - a) What is Past Consumption Analysis ?
 - b) Explain the term 'Buffer Stock'.
 - c) What is the Kanban System ?
 - d) What is Unitisation in physical distribution ?
 - e) What is Inventory Turnover Ratio ?
2. What is Materials Management ? Explain its functions, importance And role in business. 10
3. Discuss the factors affecting Materials Planning. Explain the Materials Requirement Planning System. 10
4. a) What is 'Negotiation' as used in Purchasing ? Discuss the tactics used in negotiation. 5
b) Discuss the sources of information available to a buyer when seeking information about potential sources of supply. 5
5. a) State and explain the Processing Activities involved in operating a warehouse. 5
b) 'Inventory Management adopts a scientific approach in fixing Stock Levels'. Comment. 5



6. a) Explain the objectives of Inventory Control. 5
- b) What is Benchmarking ? Explain the types of Performance Benchmarking. 5
7. Explain the different types of Internal and External linkages where Purchasing is actively involved. 10
8. Write short notes on :
1) Importance of IT in Materials Management. 5
2) Selective Inventory Control Techniques. 5
9. a) Prepare a Stores Ledger Account from the following extracts of receipts and issues of a material under Simple Average Method. 7
- | | |
|--|------------------------------|
| 1-1-2018 Opening Stock | 500 units @ Rs. 10 per unit. |
| 2-1-2018 Issued | 200 units |
| 5-1-2018 Purchased | 400 units@Rs.12 per unit |
| 9-1-2018 Purchased | 300 units@Rs.11 per unit |
| 14-1-2018 Issued | 600 units |
| 19-1-2018 Refund of surplus from work order issued earlier on 2-1-2018 | 50 units |
| 25-1-2018 Issued | 350 units |
| 26-1-2018 Purchased | 300 units@Rs.13 per unit |
| 31-1-2018 Issued | 200 units |
- b) Keith and Co. which produces lawn movers purchases 18,000 units of a motor blade part at a cost of Rs.60 per unit. Keith and Co. requires 15% annual rate of return on investment. In addition the relevant carrying cost is Rs.6 per unit per year. The relevant ordering cost per purchase order is Rs. 150. Calculate Economic Order Quantity (EOQ). 3
