



M.Com. (Semester – III) Examination, April 2018  
COO3B4 : 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 are capacity-associated costs ?
  - b) List the assumptions on which EOQ is based.
  - c) What are the factors affecting purchasing's position in the organisational hierarchy ?
  - d) Explain any two functions of inventory.
  - e) What is the need for adopting benchmarking ?
2. What is Material Planning ? Also elaborate the techniques employed in Material Planning. 10
3. Explain the stages in the purchase procedure. 10
4. "Inventory levels should be planned so that the problem of overstocking or under stocking is avoided" – Discuss. 10
5. "Importance and scope of materials management function has increased with globalisation and competition". Discuss the above statement in context to Indian firms. 10
6. Why is purchasing called as a Boundary Spanning Function ? 10



7. What is selective inventory control ? Discuss the various selective inventory control techniques. 10

8. Write short notes on :

a) Accounting software available for inventory management. 5

b) Purchasing research. 5

9. Prepare a Stores Ledger Account from the following information adopting the FIFO method of pricing of issues of materials : 10

Opening balance	1 <sup>st</sup> March 2015	500 tonnes @ Rs. 200
	3 <sup>rd</sup> March 2015	Issued 70 tonnes
	4 <sup>th</sup> March 2015	Issued 100 tonnes
	8 <sup>th</sup> March 2015	Issued 80 tonnes
	13 <sup>th</sup> March 2015	Received from supplier : 200 tonnes @ Rs. 190
	14 <sup>th</sup> March 2015	Returned from the Department 15 tonnes
	16 <sup>th</sup> March 2015	Issued 180 tonnes
	20 <sup>th</sup> March 2015	Received from supplier : 240 tonnes @ Rs. 195
	24 <sup>th</sup> March 2015	Issued 300 tonnes
	25 <sup>th</sup> March 2015	Received from supplier : 320 tonnes @ Rs. 200
	26 <sup>th</sup> March 2015	Issued 115 tonnes
	27 <sup>th</sup> March 2015	Returned from department : 35 tonnes
	28 <sup>th</sup> March 2015	Received from supplier : 100 tonnes @ Rs. 200.