



**M.Com. (Semester – III) Examination, November 2017**  
**COO 3B4N : MATERIALS MANAGEMENT (OA – 18)**

Duration : 3 Hours

Total 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 the meaning of Bill of Materials ?
  - b) Explain the concept of Import Purchasing.
  - c) What is the meaning of Physical Distribution System ?
  - d) Explain the meaning of Reverse Logistics.
  - e) What is Cube Utilisation in Warehouse Management ?
2. Explain the historical origin of Purchasing and Supply Chain Management. 10
3. Elaborate the Materials Management Objectives that contribute in the achievement of overall goals of an organisation. 10
3. Why is it important to measure supplier performance ? Describe the kinds of measures that are used to measure supplier performance. 10
4. What is the role of Negotiation in identifying suitable suppliers ? Also discuss the various stages in Negotiation. 10
5. Explain the methods used for pricing the material issues. 10
6. What is the meaning of Supplier Development and Strategic Sourcing ? Also explain the importance of backward integration while going for Supplier Development Strategy. 10
7. What are the advantages of Integrated Materials Management ? 10
8. Write short notes on :
  - a) JIT Manufacturing. 5
  - b) Value Analysis. 5



9. A) Anil Ltd. manufactures a special product that requires material 'Q'. The following particulars are available for the year 2015-16.

6

i) Monthly demand of Q	7,500 units
ii) Cost of placing an order	Rs. 500
iii) Re-order period	5-8 weeks
iv) Cost per unit	Rs. 60
v) Carrying cost % p.a.	10%
vi) Normal usage	500 units per week
vii) Minimum usage	250 units per week
viii) Maximum usage	750 units per week

You are required to calculate :

- 1) Re-order quantity
  - 2) Re-order level
  - 3) Minimum stock level
  - 4) Maximum stock level
  - 5) Average stock level.
- B) The following information is available from the books of Soham Ltd. for the year ended 31<sup>st</sup> March, 2015. Calculate the Inventory Turnover Ratio and comment on the results.

4

Particulars	Material A	Material B
Stock on 1 <sup>st</sup> April 2014 (Rs.)	14,000	20,000
Purchases during the year (Rs.)	2,30,000	36,000
Stock as on 31 <sup>st</sup> March 2015	10,000	24,000