

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (PART TIME) – SEMESTER 4 – EXAMINATION – SUMMER 2019

Subject Code: 3549973

Date: 08/05/2019

Subject Name: Inventory Management, Material Planning and Management

Time: 10:30 AM To 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** Briefly discuss the following: **14**
- (a) Types of Inventory
 - (b) Safety stock
 - (c) Master Production Schedule
 - (d) MRP II
 - (e) Work in progress inventory
 - (f) Service level in inventory
 - (g) Importance of Coding in materials management

- Q.2** (a) What do you understand by materials management? Discuss various aspects of material management. **07**
- (b) Discuss ABC analysis for inventory management. **07**

OR

- (b) Depict your understanding for strategic inventory management. **07**
- Q.3** (a) As a director of the firm, how can you evaluate the performance of purchasing management? **07**
- (b) A company has many distribution centers for selling its product in the targeted area. What are the ways by which it can manage the inventory at multiple locations? **07**

OR

- Q.3** (a) Inventory is not permanent stock of the company. It gets change over the period of time. How a company can updated its inventory records? **07**
- (b) Write a note on Vendor Managed Inventory (VMI)? **07**

- Q.4** Case Study **14**
- A small pen manufacturing company employs 50 employees and operates in Changodar near Ahmedabad. It is handles by Sharma family and working very well in Gujarat market. Top management recently hired an MBA candidate for better management of the firm. Due to this, some old employees at middle level are unhappy. Top management always found difference of opinion regarding the management decisions.

But within six months' time period, the revenue showed an increasing

trend and the firm want to purchase some place in Saurashtra for expansion purpose. Also, firm is facing problem in getting the same opinion from all the management level employees. The Sharma family decided for the expansion and they are ready to handle the increased business. If they start operations at new place it is also a question of human resource management and raw material management.

The firm wants management consultation for such issues. Based on this situation, summarize the case and answer the following questions assuming yourself as management consultant:

- a. How the firm will deal with disputes among the employees after hiring new employee? Give some real-life solutions.
- b. If the firm expand its operation, what are the issues faced? What are the ways by which the firm deal with the expansion process?

OR

- a. Help the firm in location selection in Saurashtra region. Discuss various criteria in selection process.
- b. According to you the firm should go in saurashtra region or it has to expand in the same region at Changodar near Ahmedabad? Support your answer with valid reasons.

Q. 5

Case Study

14

A large automobile manufacturing company decided to have their new manufacturing plant at West Bengal state of India with an intention of manufacturing the lowest cost car, making it affordable for everyone. Project execution team of the company started setting up manufacturing facilities on war footing basis and almost after 50% work was done and 60% time was consumed, due to the political and legal environment of the business, Car company had to stop the execution of the project.

After some time as a part of conflict resolution mechanism, both the government officials and company authorities came to the conclusion that project will not be able to take shape at this state and will not get executed further on that land.

After losing sizable time and resources, company decided to shift the manufacturing facility to another state (Gujarat). After doing so, the major challenge company's board of director were facing that of having production started on planned date as it was earlier and to do so, how to expedite project of setting up manufacturing process.

The other major challenge was, as sizable resources (capital mainly) were lost the process, Producing the car at the lowest cost was another major challenge they were facing.

Another challenge for the company officials was to maintain the consistency in quality – in spite of expediting manufacturing plant execution process and dropping the cost at every stage. It is not easy for the top management to take decision.

Based on this information answer the following questions:

- a) What are the various challenges top management is facing in shifting

the plant from one location to another?

- b) Due to the new location, how the company will manage the customers and suppliers of raw materials?

OR

- a) The transportation cost is an important aspect in plant location. According to you, will the company be able to manage this issue? Justify your answer
- b) If you are appointed as an inventory manager, which techniques of inventory management will you adopt and why? Support your answer with proper justification.
