**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

PGDM, Fifth Trimester (Batch 2020 - 2022)

END TERM (Re - Improvement) EXAMINATION, May 2022

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| Course Name | **Materials & Inventory Management** | Course Code | **OM 502** |
| Max. Time | 2 Hours  | Max. Marks | **40** |

**INSTRUCTIONS:** Students can use MS Excel to answer questions. However, following instructions MUST be followed.

* Solution generated on Excel must be stored in MS Excel file with student name as file name and file must be submitted to exam invigilator before leaving examination hall.
* Analysis of output solution must be done in physical (pen & paper form) in the answer sheet.

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**Q1.** “Radhika Paints” is a paints manufacturing organization engaged in manufacturing of decorative paints for construction and housing industry. The company requires 180000 Kg raw material each year for making paint. The cost of placing an order is Rs. 6000/- whereas carrying cost is 18 % of material price. Following prices are offered.

|  |  |
| --- | --- |
| Quantity per order | Price per Kg |
| Less than 10000 Kg | 1200 |
| 10000 – 19999 Kg | 1150 |
| 20000 - 30,000 Kg | 1100 |
| Above 30,000 Kg | 1050 |

Develop the optimum inventory policy for “Radhika Paints”. **(10 Marks)**

**Q2.** Explain Vendor selection and vendor performance evaluation method for a passenger car manufacturing organization. **(8 Marks)**

**Q5.** Product” K” is made up of four units of “L” and three units of “M”. Each unit of “M” is made up of two units of “N” and four units of “O”. Lead time for fabrication and assembly of “K” is two weeks, whereas for products L, M N, O takes three weeks each. Seventy units of “K” are required in week 16. Currently there is NO on hand inventory of any item. Show Bill of material and develop MRP plan. **(10 Marks)**

**Q4.** Write short notes on

* Reverse Auction for an art gallery
* E-commerce practices for an apparels manufacturing organization
* Sustainability practices for leather processing industry
* 5 “R” practices for restaurant

. **(4 x 3 = 12 Marks)**