**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

PGDM, Fifth Trimester (Batch 2019 - 2021)

END TERM (Improvement) EXAMINATION, February, 2021

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

**INSTRUCTIONS:**

* Sending pictures of all the sheets for the theory question is COMPULSORY. In absence of the pictures of these theory question answers, a student shall be awarded ZERO marks.
* Please note that if answers of two are found similar, then both the students shall be awarded ZERO marks. *All questions are Compulsory*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Q1.** “Kriti Polymers” is an organization engaged in manufacturing of poly-propylene requires 6000 Kg raw material each year. The cost of placing an order is Rs. 5000/- whereas carrying cost is 22 % of material price. Following prices are offered. Develop the optimum inventory policy for “Kriti Polymers”. **(8 Marks)**

|  |  |
| --- | --- |
| Quantity per order | Price per Kg |
| Less than 1000 Kg | 1000 |
| 1000 – 1999 Kg | 950 |
| 2000Kg or above | 900 |

**Q2.** Explain “Q” and “P” system of inventory management with one business example. **(8 Marks)**

**Q3.** Explain Vendor selection and vendor performance evaluation method with one business example. **(8 Marks)**

**Q4.** Critically examine, with a business example, the e-procurement and reverse auction processes. **(8 Marks)**

**Q5.** Product” V” is made up of three units of “W” and two units of “X”. Each unit of “X” is made up of one units of “Y” and three units of “Z”. Lead time for fabrication and assembly of “V” is three weeks, whereas for products W, X, Y, Z takes two weeks each. Sixty units of “V” are required in week 12, Currently there is NO on hand inventory of “V”. Show Bill of material and develop MRP plan. **(8 Marks)**