

April 2014

Master of Business Administration (MBA) Examination

III Semester

**Strategic Material and Supply Chain Management**

Time : 3 Hours]

[Max. Marks : 80

[Min.Marks 32

**Note : Attempt any four questions from Section A. Each question carries 15 marks. Section B is compulsory carrying 20 marks.**

**Section A**

1. (a) Define the term Materials Management. State its importance. Mention the challenges of Material Management in today's competitive business.  
(b) What do you understand by simplification in Materials Management?
2. (a) What is Value Analysis? How does it differ from Value Engineering? Which is better and why?  
(b) "Codification assists in reducing inventory of items in stores". Do you agree? Support your views with reasons.
3. (a) What is a Supply Chain? State the needs for supply chain management and its potential benefits.  
(b) What is the purpose of Network Design? How does the efficient design makes both the customer and supplier comfortable?
4. (a) Discuss the role of Transportation in supply chain environment.  
(b) Discuss various design options for a transportation network.
5. (a) What are the criteria for supplier evaluation and selection? Identify dimensions of supply. performance that impact total cost.  
(b) What is the importance of Information Technology in Supply Chain Management?
6. Write short notes on any three :
  - (a) Push-Pull Based Supply Chain
  - (b) Retailer-Supplier Partnership
  - (c) Inventory Models
  - (d) Bull Whip Effect
  - (e) Supply Chain Interventions.

**Section B**

**Case Study**

Bajaj formed a cross functional team for developing a fresh perspective to what his company foresaw as the change in customer behavior and the key role of logistics. The team zeroed in on TCIL as a 3PL partner. The pattern of full load (say 55 motor cycles) was changed to any number with deliveries in 'dealer clusters' rather than a single dealer. Freight vehicles were rigged with modular fittings as the Bajaj product line ranged from an 80 cc step to the high end Avenger.

Dealers were encouraged to change their order pattern from push to pull. For the first time in the industry trailers were designed for motorcycles with TCIL patenting a three deck format to carry 105 to 110 bikes or 28 auto-rickshaws (against 14 in a normal truck). These vehicles were further developed to have a self loading and unloading mechanism for easy discharge of cargo without a ramp. They also have GPS on them for better fleet management. Bajaj dealers now carry 12 to 15 days of inventories against 35 earlier.

The next issue to be tackled was after sales availability of genuine Bajaj spares. It was a dual objective to ensure timely delivery of spares to dealers for their customers as also to check the rampant growth of spurious Bajaj spares. Regular orders were shipped through the hub and spoke arrangement.

The focus on spares was further enhanced by a pilot depot for spares. The spare inventories with dealers fell to 15 days from 45 days and deliveries were made on the same day in the core zone and within 24 hours in the remainder of the zone from the earlier 3 to 5 day schedule.

**Questions :**

1. Enumerate on the improvements to the order and replenishment cycle achieved by Bajaj.
2. Distinguish push and pull based order pattern and discuss their merits with respect to Bajaj.
3. Identify costs that are relevant to the control of inventories. How does Bajaj tend to gain based on the changes it has made?
4. Discuss on the transport service selection strategy of Bajaj.

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