Model Question Paper

Name: **Enrolment No:**	UPES

End Semester Examination May 2019

Course: Retail Logistics | **Semester: VI**
Program B.B.A LM | **Max. Marks:100**
Time: 03 hrs. | **Sub Code: BBDL112**

Instructions: Section A is compulsory (each carrying 2 marks = 20 marks); any **Four Questions** from **Section B** (20 marks)**.** Any **Three Questions** from **Section C** is (carrying 10 marks = 30 marks)**. Section D** is compulsory (each carrying **10 marks = 30 marks**);

	Section A (This section is compulsory)		
1.	Fill in the Blanks. SCM can be viewed as_______________ view and ______________ view	**[2x2 = 4]**	**CO1**
2.	___________ , Rail, _____________ and ______________ are 4 modes of Transportation.	**[2x3 = 6]**	**CO1**
3.	Full Forms :- Q3 to Q7 FTL	**[2]**	**CO1**
4.	FIFO	**[2]**	**CO1**
5.	ERP	**[2]**	**CO1**
6	SRM	**[2]**	**CO1**
7	3PL	**[2]**	**CO1**
	Section B **Write notes on any four Questions as per your choice** **Short type answers (not more than 1 page)**		
1	Outsourcing	**[5]**	**CO2,3**
2	Retail Value Chain.	**[5]**	**CO2**
3	Responsiveness of Transportation Modes.	**[5]**	**CO2**
4	Types of Inventory.	**[5]**	**CO2,3**
5	Supply Chain Flows.	**[5]**	**CO2,3**

	Section C **Attempt any 3 questions (Answers should not exceed more than Two and half page)**		
1	Explain the pros and cons of different Transportation Network.	**[10]**	**CO2, CO3, CO4**
2	Explain in detail the performance matrices of modes of transportation.	**[10]**	**CO2, CO3**
3	What is Contract Manufacturing? List its advantages and Disadvantages.	**[10]**	**CO3,CO4**
4	If demand per day of a certain product 'X' is 50 units and the cost per order is equal to carrying cost of Rs.8/-. It is also noted that the lead time for 'X' is 3 days. Assuming the no. of working days in a year to be 100, find EOQ, reorder point and expected no. of orders for 'X'.	**[10]**	**CO3,CO4**

Section-D

All questions in this section are compulsory.

Case Study :- Karan Automotive Company.

Karan Automotives Company (KAC) has a virtual monopoly in India in the product range it is manufacturing like automotive spark plugs and diesel fuel injection equipment. Its other products include auto electrical, special purpose machines, hydraulic and pneumatic equipment, portable electrical tools etc.

With growing markets and competition, KAC increased its dealers by 3000 in 2001. But because of the following three reasons, small scale manufacturers have captured the replacement market to a great extent. Firstly, the industry is not capital intensive; Secondly, market growth is very high, and thirdly, end users are price conscious, compromising on quality. The industry has had to face the repercussions of a slow down now but due to ever growing replacement sector, the scope for exports may hold out its own in the face of growing uncertainty. The company has adopted the principles of Total Quality Management (TQM) and innovation to keep customer satisfied.

Distribution Network

Distribution network is the backbone of the KAC which serves as the link between the company and the retailers.

KAC → Main Distributor → Dealers → Retailers.

Of the late, KAC is sensing problem in its distribution link. The management observed that the promotional schemes evolved and introduced by the company are not reaching down the line, resulting in the limited coverage and awareness about new products and dealers never allow the benefits of the schemes to go down the lines. Dealers only promote products wherein they had good profit margins neglecting their going products such as spark plugs.

However, on the product front, KAC found that the products are well accepted and there is no complaints regarding quality. Due to excellent product quality, all Original Equipment Manufacturers (OEMs) use KAC products.

Below is the existing compensation package:

	C&F agents – 1 % Main Distributors – 4% for spark plugs and 6% for other products. Dealers – 3% for spark plugs and 4% for other products. In the new structure, KAC removes the dealers, main distributor now get 7% for spark plugs and 10% for other products. KAC introduced a incentive scheme based on sales, turnover discount, quantity discount etc. Infrastructure commission of 2% for distributors who have 2 salesman and 1 delivery van. KAC decides on uniform pricing policy and has the MRP printed on all its products. KAC reorganizes its sales into 4 zones, 41 distributors and C&F agent in each state. It installed a Information system to link all its branches, HO, factories and distributors. Storage of finished goods are done at 4 hubs, namely Bangalore, Delhi, Jamshedpur and Nagpur (all close to their factories). Transportation is outsourced for long term to the leading 3PL, while warehouses are owned and operated by KAC. This new arrangement reduces the logistics cost to 4.5%(of sales) from earlier 6.7% and finished goods inventory stocks comes down to 18 to 20 days from 30-35 days. Still the management wants to reduce the logistics cost to 2.5% and inventory stock to 8 - 10 days in the next 3 years.		
1	Design and compare the KAC's old and new system of entire operations.	**[10]**	**CO2, CO3,**
2	What all are the challenges KAC is facing? Which transportation model do you think KAC has adopted for distribution and explain the model?	**[10]**	**CO2, CO3**
3	How KAC management should reduce the logistics cost to 2.5% and inventory stock to 8 - 10 days? Give your suggestions.	**[10]**	**CO3, CO4**