

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2019

Course: International Logistics & Supply Chain Management

Programme: MBA(IB)

Semester: II

Course Code:LSCM7003

Time: 03 hrs.

Max. Marks: 100

Instructions:

All sections are compulsory & this question paper carries 4 sections.

Section – A (20 Marks)

Attempt all questions in this section.

**Marks
(1x20=20)**

CO

Q 1 Q-1 a. Write the Full forms-

- a) ECGC
- b) AWB
- c) NVOCC
- d) IGM
- e) RFI
- f) FTWZ
- g) SRM
- h) HSN
- i) GST
- j) DGFT

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1
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1

CO3,
CO4,
CO4,
CO4,
CO1,
CO1
CO1
CO5
CO1
CO5

Q-1 Q-1 b. Fill in the blanks-

- 1. _____ is the remuneration paid to the owners of technology, patents or trade names for the use of same.
- 2. _____ was replaced by the World Trade Organization (WTO) in 1995.
- 3. A preferential duty rate is a rate of duty that is _____ than the normal tariff duty rate in the tariff of a country.
- 4. _____ occurs when firms sell goods below a 'fair market price' e.g. below cost, because of excess supply.
- 5. Patent is an example of _____.
- 6. _____ is a type of protectionism that sets a physical limit on the quantity of a good that can be imported into a country in a given period.
- 7. A/An _____ is generally a rail terminal situated in an inland location with rail connections to one or more container seaports.
- 8. BOLERO stands for _____.
- 9. _____ is the total capacity of the ship i.e max weight of cargo ship can carry.

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CO1,
CO1,
CO1
CO1,
CO2,
CO1,
CO4,
CO4,
CO4,

	10. The most significant adaptation of a vessel for container use was made in 1956 by _____, creator of Sea Land Corporation.	1	CO4
<u>Section – B (20 Marks)</u>			
Attempt any four questions in this section, each carries 5 marks (5x4=20 marks)			
Q-2.	Write short note on any four- a. Push and pull view of Supply Chain b. Containerisation and its importance in Logistics. c. Hub & Feeder Network in International Shipping. d. Shipping Bill and its importance in exports. e. Force Majeure	5 5 5 5 5	CO1, CO4, CO4, CO4, CO1
<u>Section – C (30 Marks)</u>			
Attempt any 3 questions, each question carries 10 marks (10x3=30 marks)			
Q -3	Explain the concept of protectionism policy followed by the government in free trade. Explain different measures of protectionism in detail.	10	CO1
Q-4	Explain in brief, different types of products and the framework suggested by Marshall L. Fisher in his article “What is the right supply chain for your product?”	10	CO2
Q-5	What are ICDs and how are these different from the seaports? What is the importance of an ICD in International transportation? What are the facilities available at an ICD?	10	CO4
Q-6	Discuss the issue of managing supplier relationship and explain the linear averaging method used for supplier evaluation, illustrate with relevant example.	10	CO1
SECTION-D			
Answer the following (15x2=30 marks)			
Q-7	Whirlpool's Dramatic Turnaround through Internationalization Home appliance maker Whirlpool Corporation, headquartered in Benton Harbor, Michigan, generated over \$19 billion in annual sales in 2006, an increase of 26 percent from the previous year. Key factors influencing this performance include the acquisition of the Maytag Corporation in 2006 and an increased global demand for its brands and innovative products. During the next several years, the company expects growth in Asia and Latin America to be significantly higher than in North America and Europe. Whirlpool employs more than 80,000 employees in over 60 manufacturing and technology centers worldwide. The firm manufactures washers, dryers, refrigerators, dishwashers, freezers, ranges, compactors, and microwave ovens in 13 countries and sells them in 170 others under brand names such as Whirlpool; Maytag, Magic Chef,		

Jenn-Air, Amana, KitchenAid, Kenmore, Brastemp, and Bauknecht. Whirlpool generates almost 60 percent of its sales from North America, 25 percent from Europe, 15 percent from Latin America, and just 2 percent from Asia.

International Expansion

As the U.S. appliance market matured in the 1990s, Whirlpool faced intense domestic competition and more demanding buyers, resulting in lower profit margins. Meanwhile, international market trade barriers fell, consumer affluence grew, and capitalism flourished. Management realized that it could best deal with these threats and opportunities by undertaking a systematic program of internationalization. As a result, Whirlpool engaged in a series of moves over the next decade.

Whirlpool acquired the appliance business of Philips in Europe, 65 percent of Italian cooling compressor manufacturer Aspera, and purchased Poland's second largest appliance maker. In Eastern Europe, Whirlpool created subsidiaries to sell and service appliances in Bulgaria, Hungary, Romania, Russia, Slovakia, and the Czech Republic.

In China, Whirlpool formed a joint venture to produce air conditioners and established a corporate headquarters and product development/technology center in Shanghai. The company also opened regional offices in Hong Kong, New Delhi, and Singapore. In Mexico, Whirlpool acquired Vitromatic, a former joint venture partner in Mexico. It also developed low-cost versions of popular models to target customers in low-income markets in Latin America, China, and India.

Three factors have driven this global expansion. First, Whirlpool sought to reduce its costs of R & D, manufacturing, and service by locating plants and other operations in lower-cost locations such as China, Mexico, and Poland. Second, flat to declining sales growth in the United States pressured management to target sales in new markets abroad. Third, Whirlpool realized the firm's manufacturing and assembly operations would benefit from a more global approach. Management redesigned products with more standardized parts and ramped up marketing to make Whirlpool a globally recognized brand. The company integrated the activities of regional subsidiaries so that Whirlpool's most advanced expertise in appliance technology, production, and distribution could be shared with the firm's divisions world-wide.

Innovation

Whirlpool conducted an internal critical assessment in the late 1990s. It became apparent that a consumer walking into any appliance store anywhere in the world would witness "sea of white" appliances with little differentiation, even between manufacturers. The industry became known as the "white goods business." Consumers perceived the products as commodities, which offered little differential advantage and commanded ever lower prices due to increasing competition.

In 1999, Whirlpool management launched a major campaign to differentiate the firm's offerings by emphasizing innovative, value-added products. In early 2000, Whirlpool enlisted 75 employees from almost every job classification and assigned them in groups to Benton Harbor, Italy, and Brazil. Training lasted nearly a year and was conducted by an outside consulting group.

The next step was to get the rest of the global workforce involved. Whirlpool established an intranet site and created a do-it-yourself course in innovation. Throughout 2001 and 2002 Whirlpool's "knowledge management" intranet site recorded up to 300,000 hits per month. The company established a rating system to identify high potential, innovative ideas. Since 2003, revenue has quadrupled annually. Whirlpool estimates that the new appliances in development from this system, once marketed, could produce \$ 3 billion in annual sales, up from projections of \$ 1.3 billion in 2003. Whirlpool developed microwave ovens that can grill steaks, bake pizzas, or come in the form of a drawer that slides out for easy access to large dishes. The firm invented a washer with a built-in sensor that detects the size of the load and automatically picks the water level, spin speed, and type of wash cycle, essentially making all decisions for the user.

Local Preferences

Cross-regional R&D teams also collaborate on innovations to adapt offerings to meet local demands in diverse international environments. For example, due to very different climates, Italians often line-dried their clothing, while the Danes need to spin-dry their clothes. Capacity requirements vary greatly for refrigerators. The Spanish care about capacity for meats, the British want well-constructed units, and the French are more concerned about the capacity for keeping fruits and vegetables fresh. Germans are particularly concerned about environmental features, while child safety features are very important to the Italians. In India, Whirlpool developed a washing machine that delivers a higher level of cleanliness for consumers who believe whiteness of clothing expresses purity. The washer's gentle handscrub movement and unique "hot wash technology" maximize the effectiveness of laundry detergent.

Whirlpool has benefited immensely from international business. The firm is a leading example of how internationalization can revive declining sales and optimize cost structures. It has developed international distribution that reduces expenses, leading to higher profits, and has positioned itself to challenge competitors on a global scale. The firm has thrived through sensitivity and commitment to consumers in diverse cultural and economic settings around the world.

Growing Competitive Threat from Abroad

Yet not all is bright and sparkling on Whirlpool's horizon. Haier, China's largest appliance maker established a production base and a distribution center in South Carolina in the United States. The firm also bought a six-story landmark structure in

<p>New York, dubbed the Haier Building, to house its U.S headquarters. The world', fifth largest kitchen appliance maker, Haier has captured nearly 20 percent and 50 percent of the markets for window air conditioners and small refrigerators, respectively Now it is expanding into full-size refrigerators, Haier's moves are especially troubling given that Whirlpool generates very little of its sales from Asia, the world's most populous region, where Haier already has a strong presence.</p> <p>Ironically, Haier's South Carolina factory is creating new jobs in a state that witnessed a mass exodus of textile jobs to factories in China; South Carolina receives foreign direct investment from various countries and is home to four Japanese and 18 European facilities. These trends show that globalization both benefits and poses new threats to Whirlpool's international ambitions.</p> <p>As it struggles to remain a world-class player in a key industry, Whirlpool faces new challenges. Management wants to expand sales in emerging markets while defending the home market from global rivals from China and elsewhere. The firm seeks to continue to leverage and enjoy all the benefits of international business</p> <p>Questions</p> <p>(a) What is the nature of Whirlpool's domestic and international business environments? What types of risk does the firm face?</p> <p>(b) How can Whirlpool benefit from going international? What types of advantages can the firm obtain? What advantages acquired abroad can help management improve Whirlpool's performance in its home market?</p> <p>(c) What actions has Whirlpool management taken to ensure that the firm succeeds in local markets throughout the world? To what extent is the appliance business local/regional rather than global?</p>			
		10	CO1
		10	CO1
		10	CO5

SET-B

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Instructions:

All sections are compulsory & this question paper carries 4 sections.

	<u>Section – A (20 Marks)</u> Attempt all questions in this section.	Marks(1x 20 =20)	CO
Q 1	Q-1 a. Write the Full forms- a. BOLERO b. SPS c. EGM d. TBT e. FTWZ f. IEC g. LEO h. GST i. DGFT j. TEU	1 1 1 1 1 1 1 1 1 1	CO4, CO1, CO4, CO1, CO1, CO1, CO1, CO1, CO3, CO1, CO4
Q-1	Q-1 b. Fill in the blanks- 1. A _____rate is a rate of duty that is lower than the normal tariff duty rate in the tariff of a country. 2. _____ is the weight of empty container. 3. GATT was replaced by the _____in 1995. 4. _____ occurs when firms sell goods below a ‘fair market price’ e.g. below cost, because of excess supply. 5. Patent is an example of _____. 6. _____ is a warehouse under customs bond and allows firms to store imported goods for certain duration without having to pay duty on the entire amount of goods imported, but only on the amount which is moved from the warehouse for the internal consumption.	1 1 1 1 1 1 1 1	CO5, CO4, CO5, CO5, CO4 CO4, CO1 CO3 CO4, CO4

	7. A/An _____ is generally a rail terminal situated in an inland location with rail connections to one or more container seaports.	1	
	8. ECGC stands for_____.	1	
	9. _____ is the total capacity of the ship i,e max weight of cargo ship can carry.		
	10. The most significant adaptation of a vessel for container use was made in 1956 by_____, creator of Sea Land Corporation.		

Section – B (20 Marks)

Attempt any four questions in this section, each carries 5 marks (5x4=20 marks)

Q-2.	Write short note on any four-		
	a) ICEGATE	5	CO1,
	b) Role of Arbitrators in International trade dispute.	5	CO1,
	c) Strategic sourcing	5	CO1,
	d) Shipping Bill and its importance	5	CO4,
	e) Good Faith	5	CO4

Section – C (30 Marks)

Attempt any 3 questions, each question carries 10 marks (10x3=30 marks)

Q -3	Discuss the issue of managing supplier relationship and explain the linear averaging method used for supplier evaluation, illustrate with relevant example.	10	CO4
Q-4	What is the significance of Bill of Lading in the contract of affreightment? Explain, how master bill of lading is different from house bill of lading? Explain in brief the importance of clean bill of lading.	10	CO4
Q-5	What is packaging and its importance in International business? Write is the significance of markings in packaging with examples.	10	CO1
Q-6	Describe the role of transportation and communication technologies, which have acted as drivers of globalization?	10	CO1

SECTION-D(30 marks)

Read the following case and answer the questions given at the end of the case. (3x10=30 marks)

Q-8	<p align="center">DELL: SURVIVING A LOGISTICAL NIGHTMARE</p> <p>Well-known U.S.-based computer maker Dell seems to have perfected the art of making just-in-time computers and supplying them to its consumers. The company is</p>		
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known to keep costs under control by directly reaching the consumer without the additional expense on intermediaries. Dell owns no warehouses but manages to assemble over 75,000 computers a day and its build-to-order business model is a case study in itself. Add to that an effective after sales service and Dell has itself a competitive advantage that has been almost unbeatable. But maintaining this position takes work, especially when you have a company that sources its computer parts from numerous suppliers all over the world. Companies such as Dell usually ship computer parts to various U.S. and international ports from their suppliers. So, what happens when dockworker unions on the west coast of the United States go on strike for days at a stretch? Well, most companies lose millions due to this kind of unexpected disruption in the supply chain. But, not Dell! Dell faced this situation in the recent past. While many U.S. firms faced adversity, Dell managed to get by with the fewest scratches. This is how. When the strike prevented parts sourced internationally from reaching Dell's plants in the United States, the company was faced with the probability that as the strike continued, its U.S. factories would run out of parts. Dell would soon be unable to put together its computers without the necessary parts and the company would then be left idling like so many others. However, unlike a hurricane or a tsunami that is hard to predict, most U.S. firms were aware of the impending dockworkers strike a few months in advance. So, Dell started getting itself ready by having a plan in place in case its supply chain did get disrupted. One important move was up-to-the-hour communication with the concerned parties, such as its international suppliers, most of them from Asia, the port authorities and the sea transport companies that it relied on to ship the products. At the time, the dockworkers formally announced the strike Dell was able to put its plan into action. The measures Dell took were no different from those taken by other firms. Obviously, most firms use sea transport for shipping their parts and products from overseas because it is the cheapest form of transport. However, when that route got eliminated temporarily due to a dock strike, most firms sought the expensive but fastest air transport. Thus, most U.S. firms started booking airlines to transport their much needed parts from abroad. Consequently, there were high costs of flying in parts with several firms vying for flights from logistics firms such as UPS and FedEx and other major airlines as well. Dell had already accounted for the use of air travel well in advance and as a result it was able to charter planes to ship its foreign parts to the United States at almost half the cost of other companies. Furthermore, up to minute communication with its suppliers ensured that parts were always ready and waiting to be shipped to the United States so the aircraft that shipped those parts did not have to wait in the hangars until the parts were there. Next came the part when the strike was over and the tens of ships arrived with Dell-destined parts. The company had planned for this as well. It calculated the unloading cycle so that company associates could collect the company's containers as they arrived rather than waiting to sort through the backup and waste time later on. During the week and a half that the dock closings lasted, Dell was on time to deliver every single computer. Consumers thus had no reason to even doubt that the company was right in the middle of a logistical crisis. Global firms with their global operations are able to reap the benefits of low cost sourcing, etc. but what comes with the territory is a constant threat to operations and having contingency plans in place plays an important role in successfully combating such hard times. The dockworkers' strike and the terrorist attacks on the United States in 2001 brought home to some global firms the need to either maintain warehouses and spare inventory, or keep their suppliers close by or then be prepared to face these situations the way Dell did.

	<p>QUESTIONS</p> <ol style="list-style-type: none"> 1. Would it be a good strategy for Dell to own some warehouses in case of unforeseen events? How would that affect their business model? 2. What were the important elements of their contingency plan that made it successful? 3. Dell spent a considerable amount of time and money planning in advance in case of a disruption in its supply chain. What should the company do to avoid the additional expenditure in case of future disruptions? 	<p>10, 10 10</p>	<p>CO2, CO2 CO2</p>
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