

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2019

Course: Supplier Relationship Management
Programme: BBA (Logistics Management)
Time: 03 hrs.

S.Code:LSCM 3009
Semester: V
Max. Marks: 100

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

Section A (20 Marks)

Attempt all questions in this section (2 x 10 = 20 marks)

1.	<p>Explain the following in two to three lines</p> <ol style="list-style-type: none"> a) Reverse price analysis b) Delivery triggered adjustment clause c) Total cost of ownership d) Blanket purchase order e) Coercive power f) SPI g) OEM h) CEM i) ODM j) Second Bid Auction 	CO 1,2, 3
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SECTION B (20 Marks)

Attempt any 4 questions (4 x 5 = 20 marks)

2.	<ol style="list-style-type: none"> (a) What are the various stages in a purchasing cycle process; also draw a purchase requisition flow diagram? (b) Define TCO & what are the steps involved in building a TCO model? (c) Explain Operational and Strategic purchasing. (d) Enumerate different techniques of negotiation (e) Discuss Malcom Baldrige National Quality award 	CO 1, 2, 3,4
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SECTION C (30 marks)

(Attempt any 2 question, each question carries 15 marks)

3.	<ol style="list-style-type: none"> (a) What do you mean by strategic sourcing? Discuss the supply chain value analysis given by Gashti et al. 2012. (b) What do you understand by Supplier integration? What are various strategies of supplier integration into new product development process? 	CO -1, 2, 3, 4
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	(c) Discuss the issues/challenges in the case ‘Toyota Supplier Relations: Fixing the Suprima Chassis’. Also give your suggestions.																	
	SECTION D (30 marks) Attempt all questions in this section (15 x 2 =30 marks)																	
4.	<p>(a) Mr. Mahesh Kumar wants to purchase nut bolts from a supplier for his factory. On contacting the nut-bolt supplier he has been offered some quantity discounts on purchase of different amount of nut bolts, the discounts are given below:</p> <p>Nut Bolts Price discounts</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Quotation from dynamic Nut Bolts industries at range of quantities</u></th> </tr> <tr> <th style="text-align: left;"><i>Range</i></th> <th style="text-align: left;"><i>Price per unit in range</i></th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>\$ 10 each</td> </tr> <tr> <td>6-10</td> <td>\$ 8.0 each</td> </tr> <tr> <td>11-20</td> <td>\$ 7.8 each</td> </tr> <tr> <td>21-100</td> <td>\$ 7.6 each</td> </tr> <tr> <td>101-499</td> <td>\$ 7.0 each</td> </tr> <tr> <td>500+</td> <td>\$ 6.90 each</td> </tr> </tbody> </table> <p>Q 4a. Calculate the incremental cost for units mentioned for nut bolts.</p>	<u>Quotation from dynamic Nut Bolts industries at range of quantities</u>		<i>Range</i>	<i>Price per unit in range</i>	1-5	\$ 10 each	6-10	\$ 8.0 each	11-20	\$ 7.8 each	21-100	\$ 7.6 each	101-499	\$ 7.0 each	500+	\$ 6.90 each	CO- 4
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	<p>(b)Case: Achieving Global Sustainability at HP in China</p> <p>Hewlett-Packard is committed to helping its global supply partners, specifically in China, make continuous improvements in their sustainable processes. In recent years HP discovered some disturbing labor practices among its Chinese suppliers. At one Chinese supplier factory workers were taking turns using the same dormitory bed; one worker slept while the other worked. At another factory hundreds of bunk beds were set up for workers in a big hall; the supplier’s business had increased but it had not built additional space to house workers recruited from rural areas. At other overseas supplier facilities, chemicals were brought in without being properly evaluated, resulting in skin rashes among workers; in another factory pallets of materials were stacked in front of stairwells, making the exits inaccessible in the event of fires; elsewhere workers were accumulating hours beyond allowable levels and workers’ pay was docked as a disciplinary action, plus other unacceptable labor practices. Central European suppliers find it difficult to meet occupational safety and emergency preparedness practices while in Latin America, working hours and emergency preparedness are a challenge. However, in today’s publicly transparent business climate, how a company like HP conducts itself in terms of its social and environmental responsibility is central to its reputation. HP is constantly under scrutiny from a variety of stakeholders including customers, stockholders, government and non-government agencies, media, and investors. In one recent global survey across a number of countries, 87% of consumer respondents expressed concern about the environmental and social impact of the products they buy.</p> <p>The challenge for HP is how to make sure its suppliers in a long and diverse global supply chain meet HP’s standards of sustainable conduct that ultimately reflect its own reputation. Most of its electronics suppliers are located in China so its sustainability efforts have focused been focused</p>	CO- 3, 4																

there. In dealing with suppliers in China HP prefers to work with a supplier that is not meeting standards rather than dropping them. HP has implemented an Electronic Industry Code of Conduct and is using audits and supplier business reviews to monitor conformance and it is increasing sustainability weights on supplier scorecards. Some suppliers think sustainability only comes at a financial cost, so when possible, HP is trying to link it with quality initiatives that reduce costs. In its most recent round of supplier audits 70% of the major nonconformances identified in its initial audits had been resolved, while the average number of major nonconformances per supplier facility decreased by 35% since the first audits were done. In addition HP is making a concerted effort to push its commitment to sustainability further upstream in the supply chain, often partnering with its first-tier suppliers to audit sub-tier suppliers; by 2020 HP expects that suppliers representing 75% of its total purchases will have developed sustainability programs with its own suppliers.

Q 4b. Discuss some of the factors that you think might make it difficult for a large multinational company like HP to get its overseas suppliers to make a commitment to sustainability.