

18. General Demand forecasting c) forecasts are seldom perfect.
19. Realities of Forecasting d) is a process of predicting the future events.
20. Forecasting approaches e) aggregate serious most stable.

Part B

Answer any four (4 x 10 = 40 marks)

1. Delphi Method is a tool for exploring the future – Do you agree?
2. Define Demand. What are the factors which is influencing the demand?
3. Explain the different types of elasticity of demand.
4. How the forecasting of demand is related to Logistics System?
5. Explain the different approaches of forecasting.
6. What do you mean by Demand Displacement?

PART – C

Answer all the four (4 x 10 = 40 marks)

Case Problem – INDUSTRIAL LOCATION DIVISION

The Industrial Location Division (ILD) of Planning Commission is facing a peculiar decision problem. Since steel production required bulk raw materials like coal and iron ore and the steel production being a weight losing process in 1972 ILD decided to recommend location of a big steel plant in the coal and iron –ore rich belt in

Bihar. Since a large volume of water is used in steel production the location of this production facility was to be on the bank of a river.

Since the proposed steel plant was quite large, it needed financial support from abroad and from international agencies. It took more than five years to negotiate with these financiers. In the mean time, some important changes occurred: (i) very effective fuel-efficient methods for the production of steel were evolved, (ii) low-cost inland water transportation system was developed to transport inputs and outputs, (iii) a new technology to effectively produce steel from scrap metal was developed and (iv) an offer had come from Japan that India should export iron-ore and import finished steel at almost 60 percentage of the prevailing domestic price.

1. If you are the decision maker, what would you recommend regarding location of the steel plant?
2. For effective fuel-efficient, how effective you use the logistics and Supply Chain management techniques.
3. For low cost water transportation which method do you suggest?
4. Whether to accept the Japan's offer or not.
