



FUNDAMENTALS OF LOGISTICS

Time : Three Hours

Marks : 100

Part A

Answer all questions

(20 x 1 = 20 Marks)

- 1) The Supply Chain Management is a philosophy of :
 - (a) Business
 - (b) Marketing
 - (c) Inventory Control

- 2) Order Processing activities include:
 - (a) Order entry
 - (b) Order status reporting
 - (c) Both of them

- 3) Functions associated with storage and handling of goods is known as:
 - (a) Transportation
 - (b) Warehousing
 - (c) Logistics

- 4) Logistics system architecture includes:
 - (a) Data warehouse management
 - (b) Execution components
 - (c) Both the above

- 5) Fill Rates affect the following activity:
 - (a) Days sales outsourcing [DSO]
 - (b) Days in inventory [DII]
 - (c) Selective outsourcing

- 6) The time that elapses between Customer’s Order Placement and the receipt of the product is:
 - (a) Distribution cycle
 - (b) Order cycle
 - (c) None of the above

- 7) Second party logistics service provider (2 PL) integrates:
 - (a) Traditional Transportation and Warehousing function
 - (b) Transportation and Distribution needs
 - (c) None of the above

- 8) Sales made from the recently acquired stock, leaving those acquired at an earlier time period is:
 - (a) ROL
 - (b) FIFO
 - (c) LIFO

- 9) Which of the following is not a Logistics activity:
 - (a) Order processing
 - (b) Demand forecasting
 - (c) Bench marking

- 10) The 3 main areas that customer relationship management (CRM) systems focus on are: Sales, Customer Service and -----
 - (a) Marketing automation
 - (b) Distribution
 - (c) Packaging

State whether the following statement is TRUE or FALSE:

- 11) Striking a balance between Supply and Demand is one of the functions of Inventory.
- 12) Cross Docking decreases inventory cost.
- 13) Price forecast is based on information gathered and analyses about demand and stock
- 14) If the Supply chain strategy for a product is focused on efficiency, then the primary goal of Inventory Manager is to stock more to increase Customer Service Level
- 15) In Reverse Logistics, a product is moved forward through the channel

Match Column A with Column B

Sl.No.	A	B
16)	Perishable items	a) Air cargo
17)	Stacker Crane	b) Performance measurement
18)	IATA	c) Identification
19)	SCOR Model	d) Warehouse equipment
20)	Barcode	e) LIFO

Part B

Answer any four

(4 x 10 = 40 marks)

- 1) What are the major functions of Logistics?
- 2) What is meant by Stockless Purchasing?
- 3) What are the Supply chain performance measurements?
- 4) What are the important factors which makes Inventory management important in the Supply chain? What are the types of Inventory?
- 5) What is Customer service? What are the different phases in Customer service?
- 6) What is Third Party Logistics Service provider (3PL)? What are the advantages of retaining a 3PL?

Part C
Case Study

Micron electronics Inc. is a manufacturer of Personal computers (PC) that sells directly to the Customers who place orders either through Telephone or Internet. Micron has one assembly facility, located at Idaho and also has a sub-contractor, who is able to assemble most popular models. A typical customer order comes in via. the internet or toll-free-telephone number. Depending on the type of order, it is allocated either to the Idaho facility or to the sub-contractor. Large corporate orders, for example are handled out of Idaho. Micron carries almost no Finished Goods Inventory and assembles PC's in response to Customer orders.

A typical order may include a Monitor and a Printer in addition to PC. Micron does not manufacture peripherals such as monitors and printers. They are stored at a depot in Memphis, which Federal Express (Fed Ex) operates for Micron. Some peripherals are also held at Idaho facility. Thus, the Order Coordinator must allocate product to the peripheral order from items in the depot. For an individual order, Fed Ex transports the assembled PC (either from Idaho or from the sub-contractor) to Memphis, where it is merged with the peripherals. Another possibility is, for Fed Ex to do the merge at a station close to the customer site. For example, an order from Chicago can be merged there itself. The merged order is then delivered to the customer. To facilitate this Merge-In-Transit, Micron shares detailed electronic information with the Fed Ex warehouse as PC's ship out of Idaho. Customers can track the status of their orders after they have placed them.

For large corporate orders within the U.S., Micron does not use Fed Ex. It uses LTL companies to move the product. Currently these orders are filled using peripherals that are used at Idaho.

Micron outsources both PC components and peripherals throughout the world. The company uses Airfreight as well as Ocean transport to move product to the U.S and then a combination of Truck and Rail to move it into warehouses.

Answer any four

(4 x 10 = 40 marks)

CASE QUESTIONS:

1. What are the 4 modes of transport used by Micron? Briefly explain?
2. Large corporate orders are shipped using LTL. Why?
3. Discuss the role of information technology in transportation and distribution with reference to Micron?
4. What you have understood about Merge-In-Transit with reference to this case?
5. What is the role of Fed Ex in Micron electronics? What are the advantages of using the services of Fed Ex?
