



CII Institute of Logistics
PGDSCM & Certificate Programs
Semester-end Examination – June 2009

**Strategic Issues in SCM
SCM Strategies**

Time: Three Hours

Marks : 100

Part A

Write the right answer on the answer sheet with explanation in a few words.

Answer all questions (20 x 1 = 10 Marks)

Answer whether the following statements are “True” or “False” with suitable explanation in 10 or 15 words.

1. The globalization of production refers to the sourcing of goods and services from location around the globe to take advantage of notional differences in the cost and quality of factors of production.
True / False
2. It is obvious that the firm’s costs of production determine a firm’s profits.
True / False
3. The bases for success in the marketplace are numerous, but a simple model is based around 2 C ‘s’ only i.e., the company and its customers.
True / False
4. Competitive advantage stems from looking at a firm as a whole.
True / False
5. A measure of manufacturing competency is measured by how much production can be produced.
True / False

6. In marine insurance policy, under general average, the insurance average has to be specified against the particular peril.
True / False
7. A series of flows emerges in the marketing channel. One such flow is the ownership flow. This flow represents the exchange in the buying and selling function associated with the transfer of the products.
True / False
8. Customer service is the measure of how the logistics is creating the time and place utility for the product.
True / False
9. Bar codes are seen on all types of goods today. It is a sequence of parallel lines of different thickness with spaces in between. These bars indicate that goods have been checked for quality.
True / False
10. “Seasonal” stock is nothing but “speculative” stock.
True / False
11. Basic strategies mentioned by Michael porter are
 - a) Low cost
 - b) Differentiation
 - c) Both (a) & (b)
 - d) None of the above
12. Technological innovations facilitated globalization
True/False
13. Which one of the following is not a primary activity in value chain.
 - a) Human resource function
 - b) Product design
 - c) Marketing
 - d) None of the above

14. GATT's concept is that the protection against imports should not be achieved by means of non-discriminating tariffs. **True/False**
15. Which of the following is /are the operational factors in global logistics ?
- Market location
 - Speed of transportation
 - Both (a) &(b)
 - None of the above
16. Under the marine insurance policy " General Average" only the shipper is sharing the risk and getting the benefits of the policy. **True/False**
17. Organisational structure depicts
- The formal division of the organization
 - The location of the decision making authorities
 - Both (a) &(b)
 - Only (a)
18. Centralized structure can facilitate coordination. **True/False**
19. Selling is a logistical function **True/False**
20. Supply chain is the key to the success of logistics **True/False**

Part B

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

1. What is 'Bullwhip Effect'? It is said that the after effects of this phenomenon can be minimized by using inventory control techniques. What are the methods that are normally used? Explain them using the following format:

Title	Basis	Main uses

- Explain the several types of flows which emerge in the marketing channel.
 - Critically review the role of logistics in distribution channel.
- Explain clearly the concept of value chain.
- What do you understand by the term organizational architecture"
 - How will you proceed the International business division of an organization when it initially expands abroad? Please be specific in your answer.

Part C
Case Study

Please read the case given below, analyze it and answer the questions given below the case. Your answers should reveal conceptual clarity and analytical ability.

It is 9.30 a.m. The rays of the early sun are filtering in through the sheer glass that comprises the northeast wall of Akash Ispat Engineering Company Limited's boardroom. AIECL is a 10-year-old medium-sized company having a sales turnover of about Rs. 700 crore. The presence of just 6 people has made the room seem larger than it is. Azim Ahmad, a man in his late 50s started his career as a technical trainee who joined the company since its incorporation. At present, he is the chief production manager who always afraid of sales loss due to stock-out situations. K. Mathur (ED), highly successful, dynamic and proactive, always offers his justification in quantitative and comparative terms. Kashi Nath, Purchasing Manager, quite a young man possesses a management background from top 5 institutes of India. He always keeps his hands in Mathur's glove and is extremely conscious about inventory cost. D. Sahu, head of finance, a CA, is dedicated to cost reduction.

Past performance of the company has been quite impressive but, since the last two quarters, problems are cropping. Customers are making complaints regarding failure to meet delivery commitments. Transportation costs are increasing. Competition is increasing and demand is decreasing due to an economic slump.

Hence, the meeting is called by the CEO to review the performance in general and inventory and transportation costs in particular along with customer complaints.

