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M.B.A.

PRODUCTION & METEIRALS MANAGEMENT SPECIALIZATION - I

303D : Inventory Management & Materials Requirements Planning

(2008 Pattern) (Semester - III)

Time : 3 Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) All questions carry equal marks.
- 2) Attempt any five questions.

Q1) Define inventory. Explain various costs associated with inventory and the behaviour of such costs.

Q2) How does effective inventory management directly impact profitability, customer satisfaction & competitive advantage?

Q3) With reference to any service organisation of your choice explain the strategies to increase inventory turns and to reduce throughput time.

Q4) Compare and contrast fixed order versus fixed interval systems and enumerate their advantages & limitations.

Q5) What is economic batch quantity? ACE limited produces a component that has an average daily demand of 500 units. The production rate is 4,000 units per day. The setup cost for each production run is Rs. 490 and it requires 4 days of equipment time. The company works for 250 days a year. The carrying cost per annum is Rs. 7 per day. Find the optimum production run quantity.

Q6) Explain the concepts of JIT & Zero Inventory. What are the practical difficulties, in Indian context, in achieving them?

Q7) Write short notes on any two :

- a) BOM
- b) Make or Buy Decisions
- c) MRP II

