GUJARAT TECHNOLOGICAL UNIVERSITY

BE - SEMESTER- VI• EXAMINATION-SUMMER 2015

Subject Code: 161501 Date: 01/05/2015 **Subject Name: Materials Management** Time: 10:30 am to 01:00 pm **Total Marks: 70 Instructions:** 1. Attempt all questions. 2. Make suitable assumptions wherever necessary. 3. Figures to the right indicate full marks. Explain 'Material is Money' 07 **Q.1** Show how Standardization leads to increasing returns in factory. **07 (b) Q.2** Explain in brief the factors affecting Make or Buy Decision. 07 (a) **(b)** Write note on 'Spare parts Management' 07 'Reputed Suppliers are assets to any organization' Discuss. 07 **(b) Q.3** You have been called in as a consultant to see if the company's purchase deptt. 07 (a) is doing good job. How do you go about this assignment. Explain any two selective inventory control techniques. **(b)** 07 Q.3 (a) Expalin with diagram 'Replenishment model' for inventory control. 07 Bring out the main points of difference between ordering cost and inventory **(b)** 07 carrying cost. 07 0.4 What is Vendor rating? Why it is necessary? (a) Give reasons for generation and accumulation of obsolete and surplus items. 07 **(b)** How they are managed? OR List out various methods of codification. Which is the best method for library of **Q.4** (a) 07 engg. college What are the various records maintained in stores? Explain in short. 07 **(b) Q.5** What are the advantages and disadvantages of buying larger quantities? 14 Find the optimal order Quantity for a product for which the price breaks are as follows: Ouantity Q Price per unit (c) Rs. 0<O<100 20 100 \le Q < 200 18 200<O 16 The monthly demand for the product is 600 units. The storage cost is 15% of the unit cost of the product and the cost of ordering is Rs.30 per order. A Television dealer find that the cost of holding a television in stock for a week **Q.5** 14 is Rs.30 and the cost of unit shortage is Rs.70. For one particular model of television, the probability distribution of weekly sales is as follows: Weekiy 0 1 2 3 4 5 6 Sales: Probability 0.05 0.1 0.2 0.25 0.2 0.15 0.05

How many units per week should the dealer order?
