Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA – SEMESTER 04 – • EXAMINATION – SUMMER 2017

Subject Code: 2840005 **Date: 01/06/2017**

Subject Name: Supply Chain Management

Time: 10.30 AM TO 01.30 PM **Total Marks: 70**

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1 (a) **Multiple Choice Questions** **6**

1. **Which of the following is true for supply chain management?**
   A. The physical material moves in the direction of the end of chain
   B. Flow of cash backwards through the chain
   C. Exchange of information moves in both the direction
   D. All of the above

2. **Logistics is the part of a supply chain involved with the forward and reverse flow of**
   A. Goods
   B. Services
   C. Cash
   D All of the above

3. **VMI stands for**
   A. Vendor material inventory
   B. Vendor managed inventory
   C. Variable material inventory
   D. Valuable material inventory

4. **3-PL stands for**
   A. Three points logistics
   B. Third party logistics
   C. Three points location
   D. None of the above

5. **The major decision areas in supply chain management are**
   A. location, production, distribution, inventory
   B. planning, production, distribution, inventory
   C. location, production, scheduling, inventory
   D. location, production, distribution, marketing

6. **Reverse logistics is required because**
   A. Goods are defective
   B. Goods are unsold

C. The customers simply change their minds D. All of the above

Q.1 (b) Define in 2 or 3 lines only. **04**

a. Bullwhip Effect
b. SCR
c. Cross docking
d. Virtual Corporations

Q.1 (c) Differentiate between Pull based v/s Push based SCM. **04**

Q.2 (a) Explain in brief 'Historical Evolution' of the Supply Chain. **07**

(b) What are the decision phases in supply chain? Explain with suitable examples. **07**

OR

(b) Explain in brief various drivers of supply chain with suitable examples. **07**

Q.3 (a) What are the four types of supply chain uncertainties? Explain in brief. **07**

(b) What do you understand by EOQ and how do you determine EOQ? Give examples. **07**

OR

Q.3 (a) Explain the concept of integrating logistics with respect to inventory flow. **07**

(b) What are the main uses of Barcodes? Support your answer with suitable examples. **07**

Q.4 (a) Write in brief about the stages in the integration of the supply chain. **07**

(b) Differentiate between Lean SCM and Agile SCM Stating suitable examples. **07**

OR

Q.4 (a) What is Global Supply Chain Management? Explain. **07**

(b) Why does the fashion industry offer markdown pricing during the end of the season? Justify your answer with suitable examples. **07**

Q.5 Case Study: Kozmo, the Online convenience store to shut down **14**

New York-based Kozmo, the 3-year-old company announced that it would stop delivery service in all nine cities it operates. New York-based Kozmo, which dispatched legions of orange-clad deliverymen to cart goods to customers' doors, is the latest dot.com dream to evaporate in the market downturn. Amazon com, venture capital firm Flatiron Partners and coffee giant Starbucks were among the investors in Kozmo.

Kozmo said in December that investors promised a total of $30 million in private funding. But last month the company learned that an investor had backed out of a $6 million commitment. Kozmo executives had been working on a merger deal with Los Angeles-based PDQuick, another online grocer, sources said. The deal collapsed when funding that was promised to PDQuick did not materialize. Sources said Kozmo still has money but decided to close now and liquidate to ensure that employees could receive a severance package.

Just last month, Kozmo Chief Executive Gerry Burdo was upbeat about Kozmo's future, saying he was looking to steer Kozmo away from its Internet-only business model and toward a "clicks and bricks" approach. But some analysts say Kozmo's business model only made sense in the context of a densely packed city such as New York. Vern Keenan, a financial analyst with Keenan Vision, said the service had a chance to work in only a few other cities around the world, such as Lonclon, Stockholm or Paris. "This seemed like a dumb idea from the beginning," Keenan said. "This grew out of a New York City frame of mind and it simply didn't translate."

Kozmo was started by a pair of twenty-something former college roommates. They got the idea for the company on a night when they craved videos and snacks and wished a business existed that would deliver it to them. Kozmo offered free delivery and charged competitive prices when it launched in New York. Though customers loved the service, the costs of delivery were high.

After co-founder and former Chief Executive Joseph park stepped down, Burdo slashed Kozmo's overhead, instituted a delivery fee and oversaw several rounds of layoffs. The company also closed operations in San Diego and Houston. Burdo said last month that profitability was not far away. The company had reached a milestone last December when it reported profits at one of its operations for the first time. Kozmo later saw two more operations reach profitability as a result of brisk holiday business.

Online delivery companies have been among the most ravaged by the Internet shakeout. Kozmo's rival in New York, Urbanfetch, shuttered its consumer operations last fall. Online grocers such as Webvan and Peapod have also struggled, and smaller operations such as Streamline.com and ShopLink.com have dosed down. Peapod was days away from closing last year when Dutch grocer Royal Ahold agreed to take a majority stake.

From the very beginning, supply chain management was to be a core competency of Kozmo. The promising dot.com would deliver your order everything from the latest video to electronics equipment in less than an hour. The technology was superior, the employees were enthusiastic, the customers were satisfied. But eventually, Kozmo ran out of time and money.

Questions:

(a) What, in your opinion, is the major reason for the failure of Kozmo?

(b) Do you think that Kozmo promised what its supply chain could not bear? What could have prevented its shut-down?

OR

Q.5 Case Study: Passenger Interchange **14**

In most major cities the amount of congestion on the roads is increasing. Some of this is due to commercial vehicles, but by far the majority is due to private cars. There are several ways of controlling the number of vehicles using certain areas. These include prohibition of cars in pedestrian areas, restricted entry, limits on parking, traffic calming schemes, and so on. A relatively new approach has road-user charging, where cars pay a fee to use a particular length of road, with the fee possibly changing with prevailing traffic conditions.

Generally, the most effective approach to reducing traffic congestion is to improve public transport. These services must be attractive to people who judge them by a range of factors, such as the comfort of seating, amount of crowding, handling of luggage, availability of food, toilets, safety, and facilities in waiting areas. Availability of escalators and lifts, and so on. However, the dominant considerations are cost, time and reliability.

Buses are often the most flexible form of public transport, with the time for a journey consisting of four parts:

- joining time, which is the time needed to get to a bus stop
- waiting time, until the bus arrives
- journey time, to do the travelling
- leaving time, to get from the bus to the final destination.

Transport policies can reduce these times by a combination of frequent services, well-planned routes, and bus priority schemes. Then convenient journeys and subsidized travel make buses an attractive alternative.

One problem, however, is that people have to change buses, or transfer between buses and other types of transport, including cars, planes, trains, ferries and trams. Then there are additional times for moving between one type of transport and the next, and waiting for the next part of the service. These can be minimized by an integrated transport system with frequent, connecting services at 'passenger interchanges'.

Passenger interchanges seem a good idea, but they are not universally popular. Most people prefer a straight-through journey between two points, even if this is less frequent than an integrated service with interchanges. The reason is probably because there are more opportunities for things to go wrong, and experiences suggests that even starting a journey does not guarantee that it will successfully finish.

In practice, most major cities such as London and Paris have successful interchanges, and they are spreading into smaller towns, such as Montpellier in France. For the ten years up to 2001, the population of Montpellier grew by more than 8.4 per cent, and it moved from being the 22nd largest town in France to the eighth largest. It has good transport

links with the port of Sete, an airport, inland waterways, main road networks and a fast rail link to Paris. In 2001, public transport was enhanced with a 15 kilometer tramline connecting major sites in the town centre with other transport links. At the same time, buses were rerouted to connect to the tram, cycling was encouraged for short distances, park-and-ride services were improved, and journeys were generally made easier, As a result, there has been an increase in use of public transport, a reduction in the number of cars in the town centre, and improved air quality. When the tram opened in 2000, a third of the population tried it in the first weekend, and it carried a million people within seven weeks of opening. In 2005, a second tramline will add 19 kilometers to the routes.

Questions:

(a) Are the problems of moving people significantly different from the problems of moving goods or Services?

(b) What are the benefits of public transport over private transport? Should public transport be encouraged and, if so, how?

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