

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Term Examination, Dec 2019

Course: Introduction to Supply Chain Management
Programme: MBA - LSCM
Max. Marks: 100

Semester: I
Time: 03 hrs
Course Code: LSCM 7002

S. No.	Section A	Marks	CO																														
Q 1	Attempt all the questions. Each question is compulsory.																																
a)	Discuss significance of Supplier Classification in aviation sector.	2	3																														
b)	Discuss the applications of O-D model.	2	3																														
c)	Discuss the significance of 'Bharat Mala' project.	2	1																														
d)	Define OTIF and its applications.	2	6																														
d)	Briefly explain the factors for deciding the location of a DCC/FCC for FMCG.	2	3																														
e)	Explain the role of NCCD for promoting cold chain logistics.	2	1																														
f)	Enumerate any three SAP modules relevant to LSCM sector.	2	5																														
g)	Discuss the significance of Seasonality Index in Forecasting.	2	2																														
h)	How Toyota model is applicable in logistics industry?	2	4																														
i)	Discuss Green SCM practiced in case of warehousing/manufacturing operations.	2	3																														
j)	How OR models can be used to optimize the transportation cost?	2	3																														
	Section B																																
	Attempt any four questions.																																
Q 2	Differentiate Factor Rating Method from Break-even Method.	5	3																														
Q 3	<p align="center">Destinations</p> <table border="1"> <thead> <tr> <th>Factory</th> <th>I</th> <th>II</th> <th>III</th> <th>IV</th> <th>Supply</th> </tr> </thead> <tbody> <tr> <td>F1</td> <td align="center">3</td> <td align="center">7</td> <td align="center">6</td> <td align="center">4</td> <td align="center">5</td> </tr> <tr> <td>F2</td> <td align="center">2</td> <td align="center">4</td> <td align="center">3</td> <td align="center">2</td> <td align="center">4</td> </tr> <tr> <td>F3</td> <td align="center">4</td> <td align="center">3</td> <td align="center">8</td> <td align="center">5</td> <td align="center">6</td> </tr> <tr> <td>Demand</td> <td align="center">3</td> <td align="center">3</td> <td align="center">4</td> <td align="center">5</td> <td></td> </tr> </tbody> </table> <p>Solve the above problem VAM. Determine the initial basic feasible of the following T.P. by using matrix minima method.</p>	Factory	I	II	III	IV	Supply	F1	3	7	6	4	5	F2	2	4	3	2	4	F3	4	3	8	5	6	Demand	3	3	4	5		5	3
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Q 4	A manufacturer of gear box in western India procures a component 'G200' from a supplier located in southern India. The supplier of an item takes 10 days to deliver the item from the date of the receipt of order. The cost of ordering is Rs. 2000 per order and the carrying cost is Rs. 250 per unit per year. Manufacturer also bears the insurance charges for warehouse as equal to 8% of purchase price per unit. Cost price of the component 'G200' is Rs. 500 per unit. What would be the economic order quantity and also calculate the total cost of inventory.	5	3																																	
Q 5	Discuss various factors affecting the location of a retail outlet of any retail chain.	5	3																																	
Q 6	Differentiate Cross-docking from Break-bulk.	5	3																																	
Section C																																				
Attempt any two questions.																																				
Q 7	<p>Attempt any two of the following questions:</p> <p>Q.7a) The following information is known about a group of items. Classify the material in A, B, C categories and draw ABC chart also.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Part No.</th> <th>Volume</th> <th>Unit Price</th> </tr> </thead> <tbody> <tr><td>101</td><td>800</td><td>90</td></tr> <tr><td>201</td><td>400</td><td>154</td></tr> <tr><td>301</td><td>1450</td><td>17</td></tr> <tr><td>401</td><td>350</td><td>42.86</td></tr> <tr><td>501</td><td>1000</td><td>12.5</td></tr> <tr><td>601</td><td>600</td><td>14.17</td></tr> <tr><td>701</td><td>2000</td><td>0.6</td></tr> <tr><td>801</td><td>100</td><td>8.5</td></tr> <tr><td>901</td><td>1200</td><td>0.42</td></tr> <tr> <td>Q</td> <td>230</td> <td>0.60</td> </tr> </tbody> </table>	Part No.	Volume	Unit Price	101	800	90	201	400	154	301	1450	17	401	350	42.86	501	1000	12.5	601	600	14.17	701	2000	0.6	801	100	8.5	901	1200	0.42	Q	230	0.60	7.5	3
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	Q.7b) Differentiate Out-sourcing Vs In-sourcing, how companies are practicing these. Illustrate with examples from automobile/aviation industry.	7.5	4																																	
Q 8	How Pricing strategies are vital for any e-commerce company? Explain the role of e-NAM and NABARD in case of promoting trading of agri products /food processing units.	15	5																																	

Q 9	Discuss the significance of Inter-modal transportation and how Inland waterways and DFCs are going to boost the logistics efficiency for various industries.	15	3
Q 10	Section D Attempt the following case study.		
	<p style="text-align: center;">Starbucks: A Lot More Than Coffee</p> <p>Starbucks (www.starbucks.com) sells much more than espresso and cappuccino, even though coffee contributes more than 80 percent of the firm's total revenues. The company is focused on three broad sources of growth: additional items that are now sold in traditional Starbucks coffeehouses, new locations (both within the United States and internationally), and food service (made up of restaurants, offices, schools, and hotels that purchase Starbucks products such as whole bean coffee and Frappuccino) for resale.</p> <p>Starbucks Corporation is an American coffee company and coffeehouse chain. Starbucks was founded in Seattle, Washington in 1971. As of early 2019, the company operates over 30,000 locations worldwide. Starbucks has been described as the main representative of "second wave coffee," a retrospectively termed movement that popularized artisanal coffee, particularly darkly roasted coffee. Since the 2000s, third wave coffee makers have targeted quality-minded coffee drinkers with hand-made coffee base.</p> <p>Starbucks added Tazo tea to its stores, a hot breakfast sandwich menu, and a \$5.95 gourmet selection of cheeses that is part of a larger lunch menu. All of these items are part of Starbucks' plan to get a larger share of each customer's food budget. Starbucks' Music CD division also sells products in its retail locations. For example, the CD division received exclusive rights to sell a remake of Alanis Morissette's <i>Jagged Little Pill</i>. A major problem associated with Starbucks' adding new products to existing stores is the effect on waiting lines. According to research, 64 percent of Americans say that they choose a restaurant based on how much time they have. Since these new items require preparation, Starbucks becomes more vulnerable to time-pressed consumers. Starbucks director of store operations engineering acknowledges that "This is a game of seconds." She and her 10 engineers constantly ask themselves: "How can we shave time off this?" Starbucks has focused on delivery speed since its growth spurt in the 1990s.</p> <p>At Starbucks, it now takes, on average, about three minutes from the time a customer gets in line until he/she receives the final order. This compares favorably with the three-and-one-half minutes it took five years ago, when Starbucks began to measure this variable.</p> <p>Let's consider some tactics to deal with the time issue. One solution is to stop requiring customer signatures for credit card purchases under \$25. In the past, the processing of a credit card was the longest part of the cash register transaction. Eliminating the need for a signature can reduce the service transaction time by 22 seconds. Another time-saver involves the addition of "floaters," personnel who wait on customers, take</p>		

orders, and run to the back room for necessary supplies. The chain is considering a floater who will work only on sandwiches at especially busy times. Starbucks' quest for increased speed has had no effect on its order accuracy rate that has remained constant at 99.4 percent. Starbucks' new sandwich items are warmed in combination convection and microwave oven that meets the chain's need for speed, as well as taste.

Starbucks' organization also has to accommodate the chain's overall growth rate. Howard Schulz, Starbucks' chairman and chief global strategist, recently announced that Starbucks now has a long-term goal of having 30,000 locations on a worldwide basis, as compared with its current 12,500-plus stores. This new goal is for 5,000 more locations than the previous objective.

For more than 40 years, Starbucks has been dedicated to inspiring and nurturing the human spirit – one person, one cup and one neighborhood at a time. Starbucks is honored to partner with its suppliers who share their commitment to enhancing the Starbucks Experience for the customers and communities.

STARBUCKS SUPPLIER CODE OF CONDUCT

Starbucks strives to be a great, enduring company by employing business standards and practices that produce social, environmental and economic benefits for the communities where we do business. We believe that conducting business responsibly benefits society as well as our various stakeholders, including employees, customers, suppliers, investors, and community members.

As a global company, Starbucks does business with suppliers from many countries of diverse cultural, social, and economic circumstances. It strives to work with suppliers that are committed to our universal principles of operating their business in a responsible and ethical manner, respecting the rights of individuals, and helping to protect the environment.

Supplier Code of Conduct and specific standards, which includes the following:

- Demonstrating commitment to the welfare, economic improvement and sustainability of the people and places that produce our products and services
- Adherence to local laws and international standards regarding human rights, workplace safety, and worker compensation and treatment
- Meeting or exceeding national laws and international standards for environmental protection, and minimizing negative environmental impacts of suppliers' operations

	<ul style="list-style-type: none"> • Commitment to measuring, monitoring, reporting and verification of compliance to this code • Pursuing continuous improvement of these social and environmental principles <p>The suppliers are required to sign an agreement pledging compliance with Starbucks.</p> <p>As we have grown to more than 28,000 stores in more than 75 countries, so too has our commitment to creating a positive global social impact. It is our vision that we will help inspire our partners, customers, suppliers and neighbors to create positive change. To be innovators, leaders and contributors to an inclusive society and a healthy environment so that Starbucks and everyone we touch can endure and thrive.</p> <p>Questions</p> <p>Question 1. Identify Starbucks' major issues in selecting and interacting with merchandise sources. How should Starbucks evaluate its merchandise?</p> <p>Question 2. Discuss supply chain management issues and CSF for Starbucks?</p> <p>Question 3. How else can Starbucks reduce lead time in their transaction within its stores?</p>	<p>10</p> <p>10</p> <p>10</p>	<p>4</p> <p>4</p> <p>3</p>
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