

# School of Business

Department of Business

Mid Term Examination

Exam Date: 03 Oct 2023

Time : 90 Minutes

Marks : 50

## Sem IX - MBOP6003 - Material Management and Inventory Control

*Your answer should be specific to the question asked*

*Draw neat labeled diagrams wherever necessary*

- 1) Discuss the concept of MRP-I. K2 (2)
- 2) Define the process of Materials requirement planning. K1 (3)
- 3) Explain the concept of ordering cost in inventory management. K2 (4)
- 4) Why we don't want to hold inventories? Explain it. K2 (8)
- 5) Interpret classification of inventories and the flow of the material. K3 (6)
- 6) Illustrate the process of MRP systems architecture. K3 (9)
- 7) Distinguish the relationship between the level output rate plan and Chase plan in managing inventory. K4 (8)
- 8) Analyze the relationship between ordering costs and carrying costs graphically to justify EOQ model. K4 (12)

**OR**

An Automobile manufacturer uses Wipers at a constant rate of 5000 per year. Each unit costs Rs.50. The company personnel estimate that it costs Rs 150 to place an order and that the carrying cost of inventory is 10 percent per year. Propose the optimal size of each order. Find the total cost during the process. K4 (12)