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MBAS 457

II Semester M.B.A. Degree Examination, November 2023
BUSINESS ADMINISTRATION
Supply Chain Management

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

Sri Dharmasthala Manjunatheshwara
College of Business Management, Mangalore
Post Graduate Centre for Management
Studies and Research Library

Answer to the question should **not** exceed **6** Pages.

(1×15=15)

1. Elucidate the importance of Information technology in a supply chain, Role supply chain information technologies, Drivers of new supply chain systems and applications.

SECTION – B

Answer **any five** questions. **Each** question carries **8** marks. Answer to the question should **not** exceed **5** pages.

(5×8=40)

2. Explain the importance of Infrastructure flows such as cash, value and information in Supply Chain Management.
3. Elucidate the concept of Demand Chain Management of SCM.
4. Explain the Bullwhip Effects in Logistics.
5. Explain the importance, advantages and disadvantages of outsourcing Supply Chain Operations.
6. Explain the importance of managing Supplier Relationship.
7. Define “Designing the information system for logistics and supply chain management.”
8. Explain the concept of Global logistics and Global supply chains.

P.T.O.



SECTION – C
(Compulsory)

Answer to this question should **not** exceeding 6 Pages.

(1×15=15)

9. Farm Equipment Manufacture Ltd., (FEML), established in 1965, is one of the world's leading producers of agricultural equipments. FEML's latest efforts on supplier relationships have their redefinition, the factory was focused on sheet steel stamping, welding, assembly and paint as core manufacturing processes. With this strategy purchased past costs began to represent an increasing percentage of the FEML's manufactured costs. This laid the first corner stone in FEML's re-examination of supplier relations. The second corner stone fell in place when, because of capacity constraints, steel stamping department was unable to fill the factory's total stamping requirements and this led to the development of external stamping sources.

Now the third corner stone was laid: Discussion began to arise as to whether the internal stamping department should be treated the same as external stamping suppliers with the implication that the internal department should compete for business and receive the same level of support at any other outside source. Typically FEML's suppliers are small and medium sized manufacturers. Increasingly, such companies have been under industry wide competitive pressure to reduce overhead and trim costs. Many of them have reduced their employees to minimum necessary to run daily operations. Planning and implementation of new manufacturing strategies is beyond the capabilities of these companies because of lack of expertise. This realization led to the fourth and final corner stone. A vigorous debate began on "why don't strategic outside sources receive the level of support provided to FEML's internal sources" ?

In 1995, Mr. Sonawala, GM-SCM at FEML's headquarters, initiated a pilot supplier development programme. The aim was to resolve the debate via a pilot experiment to support 16 suppliers. An agreement was forged with the pilot suppliers that would entitle FEML's engineer's were sent out to work with the suppliers who participated in the project. The result showed price reductions that resulted for FEML enabled it to more than recoup the investment it made.



Based on these results, in 2001, the FEML works formed a dedicated supplier development group on providing resource to assist strategic supplies in implementing SCM. Recent improvement efforts have targeted lead-time reduction in suppliers factories. In addition to providing personnel to work at the supplier's facilities, FEML has provided training and education for supplier's staff. As a result of these efforts, FEML has been reduction of more than 90% in lead time at some suppliers and resulting price reductions to FEML. (after providing suppliers share) have been as much as 15%. The programme has yielded mutual benefits to FEMS and its suppliers.

Questions :

- a) What should be the basis for sharing benefits between FEML and its suppliers ?
- b) "Managing lead time is more important than reducing the inventory in a supply chain". Justify the statement in the context of FEML.
- c) Explain the brief performance indicators at FEML and its suppliers end.
- d) List at least four factors on which suppliers of FEML need to be evaluated.