

Register Number :

Name of the Candidate :

6 8 0 1

P.G. DIPLOMA EXAMINATION, 2010

(MATERIALS MANAGEMENT)

(PAPER - I)

150. PURCHASING MANAGEMENT

December]

[Time : 3 Hours

Maximum : 100 Marks

*Answer any FIVE questions,
choosing THREE from Part-A and
TWO from Part -B.*

All questions carry equal marks.

PART - A (3 ×20= 60)

1. Explain in detail the fundamental objectives of purchasing, scope, responsibility and limitations. (20)
2. (a) State the objectives of prescribing the 'right quality' in the bought-out components. Also, explain how you will prescribe the right quality for an automobile gear box. (10)

Turn Over

- (b) Enumerate the different sources of information to identify the potential suppliers. Also, explain the 'cost ratio method' to evaluate a supplier. (10)
3. What is break even point? What is its significance in pricing while purchasing components? Explain this concept with an illustration. (20)
4. What are the strategies to be adopted while purchasing under fluctuating prices? Explain any method by quoting suitable illustration. (20)
5. Determine with necessary charts, tables and suitable examples, the optimal buying strategy. (20)
6. Write short notes on the following :
- (a) Any two cost reduction techniques used in the materials management.
- (b) Role of insurance in purchasing and the factors that influence the selection of insurable method. (20)

PART - B (2 × 20 = 40)

7. What is make or buy decision? What are the various factors influencing make or buy decision? (20)
8. Explain the detail value analysis. (20)
9. Explain the need and procedure for international purchasing. Also, explain the nature of documents. (20)
10. (a) How the transportation of a product to an end user done? (10)
- (b) Explain the various legal aspects in buying. (10)