



Sanjay Ghodawat University, Kolhapur

2018-19

Established as State Private University under Govt. of Maharashtra. Act No XL, 2017

EXM/P/09/01

Year and Program:2018-19

School of Commerce and
Management

Department of BBA

Course Code: MBC112.2

Course Title: Purchase
Management (old)

Semester – II

Day and Date *Saturday*
01/06/2019

End Semester Examination
(ESE)

Time:3 Hours *10:30 am to 1:30 pm*
Max Marks: 100

Instructions:

- 1) All Questions are compulsory.
- 2) Use of non-scientific calculator is allowed

		Marks	COs
Q.1	Answer all of the following		
a)	State whether following statement is True or False	10	
i.	Purchase Management refers to sourcing of goods & services from different suppliers.		112.2.1
ii.	Purchase Management and Procurement Management are same.		112.2.1
iii.	Suppliers do not have role in Product Design Meeting to avoid sharing of information.		112.2.1
iv.	Request for quotation should be sent only after selection of supplier.		112.2.2
v.	Buying an insurance is not part of purchase management.		112.2.2
vi.	Quality control in purchase has relevance with quality of Finished goods.		112.2.2
b)	Answer any 5 of the following questions shortly	10	
i.	Compare Centralized Purchasing and Decentralized Purchasing.		112.2.3
ii.	Expand different inventory system viz. LIFO, FIFO, JIT and VED.		112.2.3
iii.	What does blanket order mean?		112.2.3
iv.	Differentiate between Re order Quantity and Re order Level of Material		112.2.4
v.	What do you mean by Danger Level of Material?		112.2.4
vi.	State the formulae for calculation of ROL.		112.2.4
Q.2	Answer any Two of the following questions.		
a)	What do you mean by Purchase Management? Explain importance of it.	10	112.2.1
b)	Suppose you are the owner of Zagade Pvt. Ltd. This does not make any commitment to their supplier. The purchase manager of your company is very blunt and gives order of material only towards low quote. Guide him the benefits of good relationship between buyer and supplier. Convey the importance of it towards long term relationship.	10	112.2.1
c)	Explain 6 R s of Purchasing.	10	112.2.1

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Q.3 Answer any Two of the following questions

- a) Write a note on Quality Control in Purchasing. 10 112.2.2
- b) Draft Request for Quotation for Arjun Edible Oil Pvt. Ltd. for purchasing different types of edible oil from Super Stockiest Preetusha Ltd. 10 112.2.2
- c) Suppose, Rocket Engineering Corporation is newly established entrepreneurial venture and you are appointed as business consultant. Mr Kumar, Owner of the company, has no idea about purchase management. Consult him a **Standard Procedure in Purchasing** so that it can be carried out in smooth way. 10 112.2.2

Q.4 Answer any Two of the following questions

- a) Suppose you are doing your internship in Garware Pvt Ltd who is well known dealers in computer appliances. You have got your first assignment to compare and present different purchase systems viz. Forward Purchase, Tender Purchase, Blanket Order, Zero stock and Rate Contract System. Prepare your note on these system and convey their advantages and disadvantages. 10 112.2.3
- b) Discuss Public Buying in India. 10 112.2.3
- c) Explain 5 phase negotiation system 10 112.2.3

Q.5 Answer the following questions

- a) Calculate Re order Level, Maximum Level and Minimum Level for the following data 10 112.2.4
- Materials A and B are used as follows
- Minimum Usage: 100 units/week
- Normal Usage: 200units/ week
- Maximum Usage:300 units/week
- Re order period:
- A: 3 to 5 weeks
- B: 5 to 7 weeks
- Reorder quantity
- A:1000 units
- B: 800 units
- b) A wholesaler supplies 30 toys on each weekdays to various shops. Toys are purchased from the manufacture in the lot of 120 units of Rs.120. Every order issues a handling charges of Rs. 60 + freight of Rs.250 per order 10 112.2.4
- The cost to store the toys is Re.0.60
- The wholesaler finances its inventory investment by paying 2% interest per month.
- How many toys should be ordered at a time to minimize inventory cost and ordering cost?