



# Sanjay Ghodawat University, Kolhapur

2017-18

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

FYBBA

School of Commerce and  
Management

BBA

~~CBC~~ 112.2 MBC 112.2

Purchase Management

2018 Even (II)

Day and Date: 2 June 2018

End Semester Examination

Time: 3 hrs, Max Marks: 100

10:30 AM to 1:30 PM.

## 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 manager and Inventory manager are same.		112.2.1
ii.	Right quality refers to Conformance Quality.		112.2.1
iii.	Ideal purchase manager invites Suppliers in Product Design Meeting		112.2.1
iv.	RFQ refers to Right for Quotation		112.2.2
v.	Rate Contract Systems and outsourcing are same.		112.2.2
vi.	Blanket order is mainly for small items.		112.2.2
b)	Answer any 5 of the following questions shortly	10	
i.	What do you mean by negotiations?		112.2.3
ii.	What is Kendriya Bhandar?		112.2.3
iii.	What does Forward Purchase 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 EOQ.		112.2.4
Q.2	Answer any Two of the following questions.		
a)	What do you mean by Purchase Management? Explain functions of Purchase Management.	10	112.2.1
b)	Write a note on organization for Purchase Function.	10	112.2.1
c)	Explain 6 R's of Purchasing.	10	112.2.1
Q.3	Answer any Two of the following questions		
a)	Draft Purchase Order for Ganga & Co to purchase Suit Fabric as your stock item assume necessary details.	10	112.2.2
b)	Write a Complaint Letter to your supplier XYZ Pvt Ltd for differentiating between quotation and actual bills of Materials. Assume necessary details.	10	112.2.2
c)	Write a note on Quality Control.	10	112.2.2

**Q.4 Answer any Two of the following questions**

- a) Write a note on any 5 Special Purchase Systems. 10 112.2.3
- b) Explain Online Purchase System. 10 112.2.3
- c) Elucidate 5 phase Negotiation System 10 112.2.3

**Q.5 Answer the following questions**

- a) You are purchase manager of Aniruddha Pvt. Ltd. and observed the following things. 10 112.2.4

1. To produce final product P, raw material A, B and C are consumed in 4:5:6 ratio
2. Normal Production of P=175 units/week
3. Maximum Production of P = 225 units/week
4. Minimum Production = 150 units/week
- 5.

Raw Material	A	B	C
Re order Quantity	1000	500	100
Re order Period in weeks	3-5	5-7	7-10

Calculate

- i. Maximum Stock Level
- ii. Minimum Stock Level

- b) ABC Corporation is buying a new article that is produced by a process that historically demonstrates by 90% learning curve in direct labour cost. You have placed an order of 100 units and receives a quote of Rs.225 p.u. You have accumulated following cost per unit. 10 112.2.4

Material Rs 100

Direct Labour Rs. 50

Overheads Rs250

Total Cost= Rs.200

Price Rs.221

Alternative I: Place Bulk order of 600 units

Alternative II: Place split orders of 200 units each order

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