


<b>Course No: BGMS 3204</b> <b>Course Title: Purchasing &amp; Storage Management</b> <b>Date: 28/05/2011</b> <b>No. of Questions: ( 11 )</b> <b>Time: 2.00 Hour</b> <b>Using Calculator ( Yes )</b>	<b>University of Palestine</b>  <b>Final Exam ( I )</b> <b>2<sup>nd</sup> Semester 2010/2011</b> <b>Total Grade: ( )</b>	<b>Instructor Name: Mr. Abdel Fatah Afifi</b> <b>Student No.: -----</b> <b>Student Name:-----</b> <b>College Name:-----</b> <b>Dep. / Specialist:-----</b> <b>Using Dictionary: (No)</b>
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**Answer the following questions:**

**Q1: Does a supply chain lead to improved performance? Explain briefly?**

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**Q2: The business functions which fall within the scope of supply chain management are included in what is commonly known as the supply chain (or logistics) mix. Define the following terms:**

*Planning and marketing strategy:*

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*Purchasing:*

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*Production planning :*

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*Storage and materials handling:*

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***Inventory management:***

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***Warehouses and stores:***

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***Transport :***

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***Customer service:***

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***Technical support:***

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**Q3:** The buyer must also remember the five rights of purchasing. If you do not get the five rights correct, then disaster is more likely than success. What are that rights? Explain two of them?

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**Q4: The ability of the organization to develop and apply effective purchasing policy will be conditioned by several factors, and roles for a purchasing manager that relate to the development of policy. What are these?**

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**Q5: What does cost-effective supply chain mean?**

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**Q6: What are the types of inventory costs?**

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**Q7: What is a Supply Chain?**

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**Q8: What does EOQ mean?**

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**Q9: The following information has been taken from Amean Co., which are: ordering cost \$20, annual carrying cost 20%, annual number of products needed 4000, cost of each product \$15, Calculate the following:**

- 1. Order Quantity products per order (rounded)?**
- 2. Number of orders placed per year?**
- 3. Ordering Cost per year?**
- 4. Average Inventory carrying?**
- 5. Inventory Carrying Costs per year?**
- 6. Transportation Costs (per year) when \$1.00 (per product)?**
- 7. TOTAL COSTS?**

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**Q10: Select (T) for True statements and (F) for the False ones:**

No.	Statements	T / F
1	Re-order level means stock level at which fresh order is placed.	
2	ABC analysis does not stress on items those are more costly and may be vital	
3	Long-term planning, cover short period of time; short-term plans “operational” or “tactical” plans.	
4	Short-term planning, cover short period of time; short-term plans “operational” or “tactical” plans.	
5	Short-term plans, covering at least 5 years into the future, referred to as “strategic” or “long-range plans.”	
6	In arriving at the details of the plan, the following aspects will need to be considered are marketing, production, purchasing and supply, finance, and organization	
7	The product development strategy ignores the development of new or modified products designed to satisfy existing markets in which the firm operates.	
8	Plans affecting the output of finished products have direct implications for the production facilities needed to produce them.	
9	An increase in output will need an decrease in capacity to produce the required volumes.	
10	Results of good buying practice, the cost of purchasing as a % of turnover reduces.	
11	Results of good buying practice, the cost of purchasing as a % of turnover increases.	
12	Corporate planning is concerned with developing a long-term view of future developments and designing a plan, so that, the organization can achieve its chosen objectives.	
13	Short-term planning, cover long period of time; short-term plans “operational” or “tactical” plans.	
14	Planning involves, the setting of objectives or goals to be achieved and the plans or methods to be used in their attainment.	

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**Q11:** The data in following table has been taken from Inventory records of a company, which been classified according to ABC classification,

Item #	Total Value \$	% of total Value	% of total Quantity	% Com. Quantity	% Com. Value	Items Class
9	30600	35.9	6.0	6.0	35.9	A
8	16000	18.7	5.0	11.0	54.6	
2	14000	16.4	4.0	15.0	71.0	
1	5400	6.3	9.0	24.0	77.3	B
4	4800	5.6	6.0	30.0	82.9	
3	3900	4.6	10.0	40.0	87.5	
6	3600	4.2	18.0	58.0	91.7	C
5	3000	3.5	13.0	71.0	95.2	
10	2400	2.8	12.0	83.0	98.0	
7	1700	2.0	17.0	100.0	100.0	
<b>Total</b>	<b>85400</b>	<b>100.0</b>	<b>100.0</b>			

**Calculate the following:**

1. Total Value of Items class A?
2. % Percentage of total Value of Items class B?
3. % Percentage of total Quantity of Items C?
4. % Percentage of total Quantity of Item # 8?
5. % Percentage of total Value of Item # 3+ #9?
6. Total Value of Items Class B ?

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***Good Luck***