



BRAINWARE UNIVERSITY

Term End Examination 2020 - 21

Programme – Bachelor of Business Administration in Hospital Management

Course Name – Inventory and Purchase Management

Course Code - BBAHMS301

Semester / Year - Semester III

Time allotted : 75 Minutes

Full Marks : 60

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 60=60

1. (Answer any Sixty)

(i) Which of the following is not an inventory

- | | |
|----------------------|---------------------|
| a) Machines | b) Raw material |
| c) Finished products | d) Consumable tools |

(ii)are the basic materials which have not undergone any conversion since their receipt from suppliers

- | | |
|-------------------|--------------------|
| a) WIP | b) Raw Material |
| c) Finished Parts | d) Work Made Parts |

(iii) Materials management is also called

- | | |
|--------------------------|-------------------------------------|
| a) Distribution planning | b) Control and logistics management |
| c) Both of the above | d) Neither of the above |

(iv) Which of the following is not a part of Five M's

- | | |
|-------------|------------|
| a) Material | b) Machine |
| c) Motion | d) Method |

(v) A good planning system must consider

- | | |
|------------------------------|---------------------------------|
| a) What are we going to make | b) What does it take to make it |
| c) What do we have and need | d) All of these |

(vi) _____ is the capability of manufacturing to produce goods and services

- a) Priority
- b) Capacity
- c) Ability
- d) None of these

(vii) Purchasing and _____ represent the implementation and control phase of the production planning and control system

- a) production activity control (PAC)
- b) material requirements planning (MRP)
- c) just-in-time (JIT)
- d) marketing

(viii) The _____ is a plan for the production of individual end items.

- a) MPS
- b) JIT
- c) MRP II
- d) MRP

(ix) Which of the following is not a part of Working Capital

- a) Raw Materials
- b) Buildings
- c) Operating Expenses
- d) Work-in-Progress

(x) Working Capital is an example of

- a) Operating costing
- b) Cost recovery
- c) Cost control
- d) Cost reduction

(xi) Which of the following is not a part of current liabilities

- a) Creditors
- b) Bills Payable
- c) Overdraft
- d) Bills Receivable

(xii) What is Working Capital

- a) Current Assets – Current Liabilities
- b) Current Assets + Current Liabilities
- c) Current Assets
- d) Current Liabilities

(xiii) What is not a part of Working Capital

- a) Plant Machinery
- b) Bills Receivable
- c) Bills Payable
- d) none of these

(xiv) Which of the following is not a Operating costing

- a) Wages
- b) Tools
- c) Electricity bill
- d) Investment

(xv) The objectives in developing an MRP include:

- a) To maintain the desired level of customer service by maintaining finished goods inventory levels or by scheduling to meet customer delivery requirements
- b) To make the best use of material, labor, and equipment
- c) To maintain inventory investment at the required levels
- d) Master production schedule, inventory records, and bills of material

(xvi) In A-B-C analysis, which class of items are generally large in number

- a) A
- b) B
- c) C
- d) None of these

(xvii) Which of the following statement is correct

- a) ABC analysis is based on Pareto's principle
- b) Simulation
- c) Economic order quantity formula ignores variations in demand pattern
- d) All of these

(xviii) The principle types of inventories are raw materials and ,.....and finished goods

- a) Processed materials
- b) Goods-in-progress
- c) stored goods
- d) goods for dispatch

(xix) A-B-C analysis is used in

- a) PERT
- b) CPM

c) Inventory Control

d) All of these

(xx) A drawback to a business of using just in time stock control is

a) High insurance costs

b) Stock could quickly become out of date or obsolete

c) Storage costs will be high

d) Delays in deliveries could result in idle resources

(xxi)is a technique of stock control which leads to saving of time of the management because attention is required to be paid only to some of the items rather than on all the items

a) ABC Analysis

b) JIT Inventory System

c) VED Analysis

d) Perpetual Inventory System

(xxii) is used primarily for control of spare parts

a) ABC Analysis

b) JIT Inventory System

c) VED Analysis

d) Perpetual Inventory System

(xxiii) If A is the total items consumed per year, P is the procurement cost per order, and C is the annual inventory carrying cost per item, then the most economic ordering quantity is given by

a) AP/C

b) $2AP/C$

c) $\sqrt{2AP/C}$

d) $(AP/C)^2$

(xxiv) Decision model to calculate optimal quantity of inventory to be ordered is called

a) efficient order quantity

b) economic order quantity

c) rational order quantity

d) optimized order quantity

(xxv) Activities related to coordinating, controlling and planning activities of flow of inventory are classified as

a) decisional management

b) throughput management

c) inventory management

d) manufacturing management

(xxvi) The following are not taken into account when passing a tender

a) Financial capacity

b) LOI

c) Infrastructure

d) Past performance

(xxvii) The LOI is

a) Letter of Credit

b) Letter of intent

c) Life of Induction

d) All the above

(xxviii) Generally, which sequence is most typical of the procurement process

a) Originator to buyer to approver to supplier

b) Supplier to originator to approver to buyer

c) Approver to originator to buyer to supplier

d) Originator to approver to buyer to supplier

(xxix) Another aim of e-procurement is increased choice of supplier leading to sourcing items

a) From the right source

b) At the right price

c) Delivered at the right time

d) Of the right quantity

(xxx) A recent simple classification of different types or applications of e-procurement was produced by Smart. Which of the following is NOT one of these

a) E-sourcing

b) E-tendering

c) E-transparency

d) E-informing

(xxxi) There are barriers and risks involved in adopting e-procurement. Which of the following is NOT regarded as a risk or barrier

a) Negotiated procurement benefits may be shared with other exchange users who may be competitors

b) Competition issues

c) Possible positive perception from suppliers

d) Creation and cost of catalogues

(xxxii) Negotiated contracts with regular suppliers typically in long-term relationships is an example of

a) E-procurement

b) MRO sourcing

c) Systematic sourcing

d) Spot sourcing

(xxxiii) Fulfillment of an immediate need, typically of a commoditized item for which it is less important to know the credibility of the supplier is an example of:

a) E-procurement

b) Spot sourcing

c) MRO sourcing

d) Systematic sourcing

(xxxiv) For B2B transactions involved with e-procurement, the merchant site should facilitate

a) Partially complete orders

b) Initial purchases

c) Modified rebuys

d) All of these

(xxxv) Which of the following is not a characteristic of integrative negotiations

a) Use subjective criteria for standards of performance

b) Exchange information and ideas

c) Invent options for mutual gain

d) Commit to meeting the needs of all involved parties

(xxxvi) Lax and Sebenius made in 1986 a classification of interests. Which of the following represents their view

a) Substantive, process, relationship and 'in principle' interests

b) Personal interests and common interests

c) Nominal, real and effective interests

d) Fixed and variable interests

(xxxvii) When does the Halo effect occur

- a) When people focus on the appearance of an individual
- b) When people generalize about a single attribute based on the knowledge of other attributes of an individual
- c) When people generalize about a variety of attributes based on the knowledge of one attribute of an individual
- d) When people believe the individual they negotiate with has extraordinary qualities and is to be revered

(xxxviii) Which of the following is considered an example of a frame that the parties may use in disputes

- a) Inspiration
- b) Adjective
- c) Loss-gain
- d) Stereotyping

(xxxix) Which of the following represent the biases that can threaten the email negotiations

- a) Belief bias, projection bias, time saving bias, unit bias
- b) Temporal synchrony bias, Burned bridge bias, Squeaky wheel bias, Sinister attribution
- c) Choice supportive bias, IKEA effect, optimism bias, recency illusion
- d) Distinction bias, negativity bias, normalcy bias, omission bias

(xl) Interpretation means

- a) Explanation of meaning and significance of the data in Financial Statements
- b) Concerned with preparation and presentation of classified data
- c) Systematic analysis of recorded data
- d) Methodical classification of data given in Financial Statements.

(xli) Amount spent to increasing the earning capacity is a _____ expenditure

- a) Capital
- b) Revenue
- c) Deferred revenue
- d) Capital Loss

(xlii) The proprietor of the business is treated as creditor for the capital introduced by him due to _____ concept

- a) Money measurement
- b) Cost

c) Entity

d) Dual aspect

(xliii) .————— states that assets equal liabilities plus capital.

a) accounting equation

b) financial equation

c) statements

d) none of these

(xliv) Exercising a degree of caution in the case of judgments needed under the condition of uncertainty is assumption of which of the following accounting concepts

a) Matching

b) Accrual

c) Timeliness

d) Prudence

(xlv) Showing purchased office equipments in financial statements is the application of which accounting concept

a) Historical cost

b) Materiality

c) Prudence

d) Matching

(xlvi) The revenue recognition principal dictates that all types of incomes should be recorded or recognized when

a) Cash received

b) End of accounting period

c) When earned

d) When interest paid

(xlvii) Indian companies prepare their their financial statement in rupees whereas Japanese companies produce financial statements in yens. This is an example of:

a) Stable money unit

b) Unit of measure

c) Money value

d) Current swap

(xlviii) "Financial information should be neutral and bias free" is the dictation of which one of the following

a) Completeness concept

b) Faithful representation Concept

c) Objectivity Concept

d) Duality Concept

(xlix) Which of the following is not a type of voucher

- a) Debit
- b) Credit
- c) Transaction
- d) Running

(l) A voucher does not contain

- a) Transaction details
- b) Reason of payment
- c) Details of payment
- d) Currency note serial no

(li) Discount received means:

- a) Deduction during cash receive
- b) deduction allowed by creditors during the time of payment
- c) Deduction allowed during sales
- d) Both Deduction during cash receive and deduction allowed by creditors during the time of payment

(lii) Errors are corrected by:

- a) Journal
- b) Profit and Loss statement
- c) Ledger
- d) Cash flow statements

(liii) When the owner withdraws goods for his own use it will be considered as the:

- a) drawing
- b) loss
- c) capital
- d) bonus

(liv) Debit the receiver and credit the giver is the rule for _____..

- a) nominal
- b) accounting
- c) real
- d) liability

(lv) Cash discount allowed will appear on which side of the buyer's account in the books of the seller.

- a) debit
- b) credit

c) cost

d) none of these

(lvi) The receiver of goods returned will send a note to the returner.

a) debit

b) credit

c) revenue

d) none of these

(lvii) A balance in a personal account shows that the account concerned is a creditor's account

a) debit

b) credit

c) revenue

d) none of these

(lviii) Cash invested by the owner is called

a) Asset

b) Liabilities

c) Capital

d) Loan

(lix) The accounts in which the credit sale of merchandise or services are placed is known as

a) Notes Receivable

b) Accounts Receivable

c) Amount Receivable

d) Discount Receivable

(lx) What is cost of fixed asset less salvage value

a) market value

b) book value

c) depreciable cost

d) none of these