



BRAINWARE UNIVERSITY

Term End Examination 2023-2024

Programme – BBA(HM)-2021/BBA(HM)-2022

Course Name – Inventory and Purchase Management

Course Code - BBAHMS301

(Semester III)

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Brainware University
399, Ramkrishna Road, Barasat
Kolkata, West Bengal-700125

Full Marks : 60

Time : 2:30 Hours

[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 15=15

1. Choose the correct alternative from the following :

- (i) In the _____ environment, several product options exist (e.g., automobiles) and the customer is not willing to wait until the product is made. Therefore manufacturers produce and stock standard component parts; Choose the correct option
- a) make-to-order
b) assemble-to-order
c) level production
d) make-to-stock
- (ii) _____ is responsible for analyzing the marketplace and deciding the firm's response, the markets to be served, the products supplied, and desired levels of customer service. Choose the correct option
- a) Marketing
b) Finance
c) Production
d) Engineering
- (iii) The _____ is a plan for the production of individual end items; Choose the correct option
- a) MPS
b) JIT
c) MRP II
d) MRP
- (iv) Re-ordering level = Maximum consumption x; Choose the correct option
- a) Average re-order period
b) Maximum usage
c) Maximum re-order period
d) Normal usage
- (v) Which of the following is a part of Working Capital; Choose the correct option
- a) Inventory
b) Tools
c) Operating Expenses
d) All of these
- (vi) Which of the following is not a part of current assets; Choose the correct option
- a) Credit Purchase
b) Cash
c) Bank
d) All of these
- (vii) This is not a type of bill; Identify the correct option

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- a) 2nd last bill
b) Closed Account bill
c) Final Account bill
d) Running Account bill
- (viii) The electronic integration and management of all procurement activities including purchase request, authorization, ordering, delivery and payment between a purchaser and supplier is known as; Identify the correct option
- a) E-procurement process
b) E-procurement system
c) E-procurement
d) All of these
- (ix) Generally, which sequence is most typical of the procurement process; Identify the correct option
- 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
- (x) There are barriers and risks involved in adopting e-procurement. Identify that 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
- (xi) The receiver of goods returned will send a note to the returner; Choose the correct option
- a) debit
b) credit
c) revenue
d) none of these
- (xii) The discount calculated on list price of goods is called; Choose the correct option
- a) Cash Discount
b) Rebate
c) Trade Discount
d) None of these
- (xiii) The basic current liabilities are ____; Identify the correct option
- a) accounts payable and bills payable
b) bank overdraft
c) outstanding expenses.
d) All of the above
- (xiv) _____ working Capital refers to the firm's investment in current assets. Identify the correct option
- a) Zero
b) Net
c) Gross
d) Distinctive
- (xv) Identify which one of the following items is most likely a derived-demand inventory item?
- a) cereal ready to be bagged and shipped to stores
b) tires held in inventory by an auto maker
c) shoes on display in a retail store
d) toys ready to be shipped to toy stores

Group-B

(Short Answer Type Questions)

3 x 5=15

2. What are some common examples of consumable materials in various industries? (3)
3. Illustrate the term codification. (3)
4. Describe Third-party Logistics (3PL). (3)
5. Classify centralized, decentralized, and local purchasing systems. (3)
6. Explain the objectives of negotiation in Purchasing. (3)

OR

Establish the advantages of codification. (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Explain Anticipatory Stock and Decoupling Inventory with examples. (5)

8. Explain different advantages & disadvantages of the FIFO method. (5)
9. Explain Letter of Credit using diagram. (5)
10. Distinguished between Centralized Purchase & Decentralized Purchase. (5)
11. Illustrate Purchase Cycle using flow chart. (5)
12. Illustrate ABC analysis technique of inventory control management. (5)

OR

Differentiate between ABC technique & VED technique. (5)

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