RC-3524
Second Year B. B. A. (Sem. III) Examination
March / April – 2017
Production Management - I

Time : 2 Hours ] [ Total Marks : 50

Instructions :

(1)

(2) All questions are compulsory.
(3) Figures to the right indicate full marks.

1 Answer any five. 10

(1) Explain the term : Cellular Lay-out with suitable examples.

(2) What is difference between material handling and logistics ?

(3) Explain any two principles of material handling.

(4) Define terms : “Inventory” and “Inventory Management”.

(5) Give the traditional as well as modern definitions of “lead time of purchasing”.

(6) Monthly requirement of one chemical is 10000 litres. When EOQ is ordered, one order is placed every two months. The price of this material is Rs. 40,00 per litre. Inventory carrying cost is to be counted at the rate of 15% of price on per unit, per year basis. What should be the cost of placing one order ?

2 (a) Explain any seven routine (continuously ongoing) 7 responsibilities of a Production Manager.

(b) Discuss any seven factors affecting the selection of plant location.

OR

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2 (a) Discuss the scope of Production Management at macro level by discussing application of Production Management principles to various sectors of economy.

(b) Explain different types of manufacturing systems with examples.

3 (a) Discuss any eight factors affecting the design of plant layout.

(b) Explain any four benefits of in-house manufacturing of a main raw material.

OR

3 (a) Describe the factors affecting selection of material handling system.

(b) Explain various factors having impact on safety stock level.

4 Answer any two of the following :

(1) Write a detailed note on Ordering Cost and Inventory Carrying Cost.

(2) Write a detailed note on ABC analysis.

(3) In a chemical factory, consumption of a raw material is 10000 kgs per month. This material is manufactured on in-house basis. The capacity of in-house unit is 3,60,000 kgs per year. The per unit in-house manufacturing cost of this material is Rs. 30.00 per kg. The machine set-up cost is Rs. 4800.00 per set-up. Inventory carrying cost is to be counted at the rate of 30% of price per unit, per year basis. Find out ELQ and the time gap between beginning of two successive in-house cycles.
(4) Daily requirement of one chemical is 730 kgs. Cost of placing one order is Rs. 3600.00 per order. This ordering cost does not include value of 15 kg material taken as a sample out of every order and which gets destroyed in quality checking. Price of this material is Rs. 20.00 per kg. This material is a cold storage item and hence inventory carrying cost is very high and it is counted at the rate of 45% of price on per unit, per year basis. Safety stock is equivalent to 10 days of material consumption. The purchasing lead time is 15 days. Find out EOQ, Maximum Level and Re-order Level. Should we accept 4% price discount offer with the condition that only five orders may be placed in a year?