



SDV - 1

M.Com. (Semester - III) Accounting and Finance  
Examination, November 2013  
CO3A1 : STRATEGIC MATERIALS MANAGEMENT

Duration : 2 Hours

Total Marks : 50

- Instructions :** 1) Question No. 1 is **compulsory**.  
2) Answer **any one** of the internal choices of remaining questions.  
3) **Marks** are indicated against **each** question.

1. Answer the following : (5x2=10)
- a) Explain the concept of Six Sigma.
  - b) Describe the role of IT in Materials Management.
  - c) Explain the 'Collaborative Approach' to implementing a strategy.
  - d) What are the constraints to Corporate Social Responsibility ?
  - e) Explain the concept of Just in Time (JIT).
2. A) Discuss the importance of effective strategy formulation and strategy implementation. 5
- B) What is strategic change ? Describe the levels of strategic change. 5
- OR
2. X) What is the purpose of strategic control ? Discuss the information systems developed by organisations to generate information.
3. A) "Charity is different from Corporate Social Responsibility" Discuss. Explain the four stage model of Corporate Social Responsibility. 10
- OR
3. X) Elaborate the reasons why 'Ethical Decision Making is difficult. Explain the principles to resolve ethical issues.

P.T.O.





4. A) From the details given below calculate : 8
- i) Re-ordering level                      ii) Maximum level  
 iii) Minimum level                        iv) Danger level.
- Cost of placing an order is Rs. 20.  
 Number of units to be purchased during the year is 5,000  
 Purchase price per unit inclusive of transportation cost is Rs. 50.  
 Annual cost of storage per unit is Rs. 5.  
 Details of Lead Time Average 10 days; Maximum 15 days, Minimum 6 days.  
 For emergency purchases 4 days.  
 Rate of consumption : Average 15 units per day.  
 Maximum 20 units per day.
- B) The average annual consumption of material is 20,000 kgs at a price of Rs. 2 per kg. The storage cost is 16% on average inventory and cost of placing one order is Rs. 50. How much is to be purchased at a time ? 2
- OR
4. X) From the following information you are required to prepare a stores ledger account assuming that issues of materials are to be valued using weighted average price method. 10
- Receipts :**
- 1<sup>st</sup> July Balance 100 units @ Rs. 10 per unit  
 5<sup>th</sup> July 80 units @ Rs. 8 per unit.  
 8<sup>th</sup> July 60 units @ Rs. 9 per unit  
 15<sup>th</sup> July 40 units @ Rs. 10 per unit  
 28<sup>th</sup> July 80 units @ Rs. 6 per unit.
- Issues :**
- 10<sup>th</sup> July 140 units  
 12<sup>th</sup> July 20 units  
 20<sup>th</sup> July 40 units  
 25<sup>th</sup> July 20 units  
 31<sup>st</sup> July shortage 10 units.
5. A) Elaborate the purchasing Process and discuss the importance of purchasing function. 10
- OR
- 5 X) Write brief notes on :
- 1) Quality cost concepts 5  
 2) Strategic sourcing. 5