

ADMISSION NUMBER											

School of Business
Bachelor of Business Administration
Mid Term Examination - Mar 2024

Duration : 90 Minutes
Max Marks : 50

Sem VI - D1UA613T - Procurement and Sourcing Management

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Analyse how procurement process differ in small and large organizations? K4 (4)
- 2) The procurement process can be described in terms of a set of activities that should be used in the purchase of goods. Briefly explain these activities. K5 (5)
- 3) Determine the key factors to consider when negotiating contracts with suppliers? K5 (5)
- 4) As you know, Procurement is the first entry into your supply chain. It is the start of everything. In view of above, identify the difference between buying and procurement and how procurement add value in the process? K3 (6)
- 5) Suppose you are purchasing head for any company and do vendor rating as normal procedure. Briefly examine how your organization will select a suitable vendor and will adopt various measures for vendor development. K4 (8)

- 6) Procter and Gamble (P & G) the world's leading producer of household products, markets over 300 brands to 5 billion people around the world. P & G's products fall under three broad categories, namely beauty care; baby and family health care and household care. P & G has 2 of its world's leading detergents - Tide and Ariel in India to cater the main concerns of the Indian households, namely outstanding whiteness and stain removal. P & G's another leading brand, Pampers which is the world's number one selling diaper brand with sales of U.S \$ 6 billion annually. Pampers provides superior dryness for an uninterrupted, overnight sleep, with just one Pampers diaper. In India, Pampers' Fresh and Dry is available in a variety of three sizes - 4s, 10s and 25s.

K5 (10)

In the early 1990's P & G faced a problem of extreme demand variations for this best selling brand Pampers diapers. The logistics executives at P & G examined the order rates for Pampers across the supply chain. Though the purchase rates remain, more or less steady at the consumer end, the logistics executives found that the variation of orders increased from the retailers level to the distributor level up the supply chain. The effect is lack of supply chain coordination, subsequently, the manufacturing and inventory cost increased resulting into less supply chain profitability.

Questions :

a. Determine and suggest a suitable procurement strategy in view of above fluctuating demand of diapers for P&G.

- 7) A mobile production company XYZ based in Delhi NCR is now purchasing batteries, a key component for mobile phones, from an outside supplier. Yet, the management is thinking about the option of producing this component internally rather than purchasing it from outside vendors. As a person responsible for making decisions at XYZ firm, assess the choice between producing internally or outsourcing by examining the important considerations for each option, including operational, financial, and strategic issues. Also think about the possible risk and advantages of each of this choice.

K6 (12)