Chapter-1: Logistic Management
Self Assessment Questions

1. ................. includes design and administration of systems to control the flow of materials, WIP and finished inventory to support business unit strategy.
   a. Logistics Management
   b. Materials Management
   c. Bill of Materials
   d. All of these

2. Which is not a part of basic systems of codifications?
   a. Alphabetical System
   b. Numerical System
   c. Color Coding System
   d. None of the above

3. ................ and physical distribution are the two major operations of logistics.
   a. Supply Chain Management
   b. Materials Management
   c. Logistics Management
   d. All of these

4. ............... is the time that elapses between issuing replenishment order and receiving the material in stores.
   a. Replenishment time
   b. Lead time
   c. Idle time
   d. None of these

5. ............... is the task of buying goods of right quality, in the right quantities, at the right time and at the right price.
   a. Supplying
   b. Purchasing
   c. Scrutinizing
   d. All of these

6. Which of the following is not a component of 4PL?
   a. Control Room (Intelligence)
   b. Resource Providers
   c. Information
   d. Recycling

7. Which of the following is not a part of Supply chain Management system?
   a. Supplier
   b. Manufacturer
   c. Information Flow
   d. Competitor
8. ………………………is the provision of service to customers before, during and after a purchase.
   a. Customer Service
   b. Product Management
   c. Purchase management
   d. None of these

9. Buying according to the requirements is called …………
   a. Seasonal Buying
   b. Hand to mouth buying
   c. Scheduled Buying
   d. Tender Buying

10. In Porter’s Value Chain, which primary activity is the one involved with receipt of goods, warehousing and inventory control?
    a. Marketing and sales
    b. Inbound logistics
    c. Operations
    d. Outbound logistics

11. What is the goods movement status of the outbound delivery after a goods issue has been cancelled?
    a. Cancelled
    b. Restarted
    c. Not yet started
    d. Reversed sign

12. What is the requirement for the Purchase order items that are included when the inbound delivery is created?
    a. They should have material control key
    b. They should have confirmation control key
    c. Planned confirmation key
    d. Order item confirmation key

13. You must always specify a batch before goods are issued. What is the solution if the delivery quantities of an item are to be taken from different batches?
    a. In Warehouse Management
    b. Manually in the batch split screen of the delivery item
    c. Using automatic batch determination when creating the outbound delivery
    d. All of these

14. Logistics has moved into business to move, lodge and supply inputs and outputs. (a) True (b) False

15. The objective of minimum variance involves ass’s commitment and relative turn Velocity. (a) True (b) False
16 Transportation cost is not directly related to the type of product, size of shipment, and distance.
(a) True  (b) False

17 What are Elements of Logistics System?
   a. Transportation
   b. Warehousing
   c. Inventory Management
   d. All of these

18 Logistics systems are made up of three main activities:
   a. Order processing
   b. Inventory management
   c. Both (a) and (b)
   d. None of these

19 Inventory management is a key issue in logistics system planning and operations.
   (a) True  (b) False

20 Freight transportation often accounts for even two-thirds of the total logistics cost and has a major impact on the level of customer service.
   (a) True  (b) False

Answers for Self Assessment Questions
1. (a)  2.(d)  3.(b)  4.(b)  5.(b)  6.(d)  7.(d)  8.(a)  9.(b)  10.(b)
11.(c)  12.(b)  13.(d)  14.(a)  15.(a)  16.(b)  17.(d)  18.(c)  19.(a)  20.(a)
Chapter-2: Materials Management
Self Assessment Questions

1. Which of the following is not an element of the management process?
   a. pricing
   b. staffing
   c. planning
   d. controlling

2. MRP stands for:
   a. Management Reaction Planning
   b. Master Resources Production
   c. Manufacturing Resource Planning
   d. Materials Requirements Planning

3. MPS stands for:
   a. Material Production Schedule
   b. Master Planning System
   c. Material Planning System
   d. Master Production Schedule

4. Enterprise Resource Planning (ERP) has been criticized on a number of grounds. Which of the following is not a common criticism of ERP?
   a. It doesn’t allow decisions and databases from all parts of the organisation to be integrated
   b. Implementation is expensive
   c. The effect it has on businesses is disappointing
   d. It can have a disruptive effect on the organization’s operations

5. In MRP (Materials Requirements Planning) the Bill of Materials is:
   a. The sum of stock-on-hand and work-in-progress
   b. The required output from a process over time
   c. A list of required safety stock items
   d. The product structure showing where common parts are used

6. The outputs of a MRP II system are:
   a. Material Requirement Plans / scheduled purchase orders / capacity requirement plans
   b. Sales order priorities / Bills of Materials / Material Requirement Plans
   c. Capacity requirement plans / stock quantities / stock locations
   d. Stock quantities / Bills of Materials / Master Production Schedule
   e. Master Production Schedule / capacity requirement plans / stock locations

7. Three inputs for every MRP system are:
   a. Sales forecast, delivery costs, capacity plan
   b. Master Production Schedule, Bill of Materials, sales forecast
   c. Average replenishment time, re-order point, economic order quantity
   d. Stock on hand, Master Production Schedule, Bill of Materials
8 Materials requirements planning are based on correct forecasting of sales and demand of the products in the market.
(a) True (b) False

9 Materials management concept is to manage resources in an integrative way for national economic development.
(a) True (b) False

10 In ERP, Sales and Operations Planning (SOP) is available as an instrument for supporting the process of sales and operations planning.
(a) True (b) False

11 means cost of raw material used or consumed in production.
   a. Indirect material
   b. Direct material
   c. Both (a) and (b)
   d. None of these

12 The quality of the............by the organization depends upon the quality of the materials used to manufacture that product.
   a. Process manufactured
   b. Product manufactured
   c. Program manufactured
   d. All of these

13 Closed Loop MRP means:
   a. Capacity and resource planning is included in the MRP logic
   b. Actual sales are netted off the forecasts in the MPS
   c. Actual inventory is counted regularly and adjustment made to the inventory records
   d. Unused materials are returned to stores and recorded back into the system

14 Optimized production technologies (OPT) is a computer-based technique and tool which helps to schedule production systems. Which of the following are not principles of OPT?
   a. Bottlenecks govern throughput
   b. Capacity is “king”
   c. Process batch should be variable
   d. Balance flow is what is required

15 Make-or-buy analyses are conducted at the strategic and operational level.
   a) True (b) False

16 The main issue in designing process-oriented layout concerns the relative positioning of _____ to minimize cost of material handling.
   a. work stations
   b. departments
   c. raw materials
   d. entrances, loading docks
17 Indirect Material is that material which can be easily identified and related with a particular product, job, and process.
   a) True   (b) False

18 Production control commences as soon as a planned order is converted into a ...............order.
   a. Martial
   b. Process
   c. Production
   d. All of these

19 In which stage of the product life cycle should product strategy focus on forecasting capacity requirements?
   a. introduction
   b. growth
   c. maturity
   d. decline

20 Which of the following helps operations managers direct their efforts toward those items that show the greatest promise?
   a. value engineering
   b. financial analysis
   c. product cost justification
   d. product-by-value analysis

**Answers for Self Assessment Questions**
1. (a)   2.(d)   3.(d)   4.(a)   5.(d)   6.(d)   7.(d)   8.(a)   9.(a)   10.(a)
11.(b)   12.(b)   13.(a)   14.(b)   15.(a)   16.(b)   17.(b)   18.(c)   19.(b)   20.(d)
Chapter-3: Distribution Management

Self Assessment Questions

1. A Distribution Management System (DMS) is a collection of applications which shall monitor and control the entire distribution network efficiently and reliably.
   (a) True
   (b) False

2. Which of the following statements is true?
   a. Physical distribution and logistics are the same.
   b. Logistics is a subset of supply chain.
   c. Supply chain is a subset of logistics.
   d. Logistics and supply chain are same.

3. Outbound Logistics division offers comprehensive services to buyers sourcing their products from multiple suppliers in multiple countries.
   (a) True
   (b) False

4. The outbound logistics service is not provided to enhance the value of our product.
   (a) True
   (b) False

5. LCL stands for
   a. Level-cost location
   b. Lowest-cost location
   c. Leave –cost location
   d. All of these

6. Community planning schools have prepared planning staffs with models of social planning and physical land-use planning.
   (a) True
   (b) False

7. The value chain attempts to identify those activities which add value to:
   a. The organization’s stakeholders.
   b. The senior strategic managers in the organisation.
   c. The organization’s shareholders.
   d. The customer or final user.

8. NPO Strategic Planning includes:
   a. Recruiting stakeholders, power brokers, and leadership.
   b. Reviewing the organization’s history and current situation
   c. Both (a) and (b)
   d. None of these

9. Applied Strategic Planning includes:
   a. Scanning organizational values, philosophy, and culture.
   b. Critiquing and reviewing the plan.
   c. Revising goals, and re-implementing goals, as appropriate
   d. Identifying organizational strengths and weaknesses.

10. Dispersion facilities location problem is one of the facility location problems.
    (a) True
    (b) False
11 Warehouse is not a storage structure constructed for the protection of the quality and quantity of the stored produce.
(a) True (b) False

12 Warehouses enable storage of goods when their supply exceeds demand and by releasing them when the demand is more than immediate productions.
(a) True (b) False

13 The upstream supply chain is:
   a. Exclusively inside an organization.
   b. Involved with procurement of material from suppliers.
   c. The distribution of products or delivery of services to customers.
   d. None of the above.

14 The downstream supply chain is:
   a. Exclusively inside an organization.
   b. Involved with procurement of material from suppliers.
   c. The distribution of products or delivery of services to customers.
   d. None of the above.

15 Which of the following is not a typical supply chain member?
   a. customer
   b. retailer’s creditor
   c. producer
   d. wholesaler

16 When suppliers, distributors, and customers partner with each other to improve the performance of the entire system, they are participating in a ________.
   a. value delivery network
   b. demand chain
   c. supply chain
   d. supply and demand chain

17 Which of the following is not an area of responsibility for a logistics manager?
   a. inventory
   b. marketing
   c. warehousing
   d. purchasing

18 Companies manage their supply chains through ________.
   a. information
   b. competitors
   c. skilled operators
   d. transportation modes

19 All of the following would be among the major logistics functions within a logistics system except:
20 Which of the following transportation forms carries 25 percent of total cargo shipped in Canada, and accounts for the largest portion of transportation within cities, rather than between cities?
   a. Railroads.
   b. Trucks.
   c. Pipelines.
   d. Water carriers.

Answers for Self Assessment Questions
1. (a) 2. (b) 3. (a) 4. (b) 5. (b) 6. (a) 7. (d) 8. (c) 9. (a) 10. (a)
11. (b) 12. (a) 13. (b) 14. (c) 15. (c) 16. (a) 17. (b) 18. (a) 19. (d) 20. (b)
Chapter-4: Logistics Customer Service

Self Assessment Questions

1 Where the customer takes decisions on the precise configuration of a customized product at as late a stage as possible within the supply chain.
   a. Postponement principle.
   b. Square root law.
   c. Classical system.
   d. Learning curve.

2 New methods of manufacturing which have been described as the reverse of mass production, with the emphasis on carefully utilizing selected packages of short-run production processes to meet specific customer requirements.
   a. Flexible specialization.
   b. Enterprise resource planning.
   c. Learning curve.
   d. Classical system.

3 Relates the amount of safety stock required to the reduction in number of stockholding points in the logistical system.
   a. Enterprise resource planning.
   b. Postponement principle.
   c. Classical system.
   d. Square root law.

4 What name is given to the various attempts to accelerate the flows of materials and information in logistical systems?
   a. Time compression.
   b. Square root law.
   c. Postponement principle.
   d. Logistical cost trade off.

5 In Value Chain Analysis, which of the following is not classed as a primary activity?
   a. Inbound logistics.
   b. Human resource management.
   c. Sales and marketing.
   d. Outbound logistics.

6 Logistics is a challenging and important activity because it serves as an integrating or boundary spanning function.
   (a) True    (b) False

7 A distribution channel is a set of interdependent organizations that help make a product available for use or consumption by the consumer or business user.
   (a) True    (b) False

8 Distribution channels perform a number of functions that make possible the flow of goods from the producer to the customer.
   (a) True    (b) False
9 Distribution of a product through one………..or retailer in a specific geographical area.
   a. Transportation
   b. Wholesaler
   c. Both(a) and (b)
   d. All of these

10 E-logistics features:
   a. Every modification is logged
   b. Advanced search capabilities
   c. Both (a) and (b)
   d. None of these

11 TCO stands for
   a. Till Cost of Ownership
   b. Total Cost of Ownership
   c. Both (a) and (b)
   d. None of these

12 ………is an important concept in supply chain management.
   a. Risk pooling
   b. supply pooling
   c. Both (a) and (b)
   d. None of these

13 Integrated Logistics Support (ILS) activities start with the beginning of the Program and continue until delivery of all products and services in the Program scope.
   (a) True   (b) False

14 LSA stands for
   a. Logistics Success Area
   b. Logistics Success Analysis
   c. Logistics Support Analysis
   d. All of these

15 Which systems are typically used to fulfill and support customer orders?
   a. back office systems
   b. front office systems
   c. side office systems
   d. information sales systems

16 ECR stands for Efficient Consumer Response.
   (a)True   (b) False

17 RFID is mainly used for tracking people rather than products.
   (a)True   (b) False

18 Ground Support and Test Equipment are
   a. Design
   b. Production and Provisioning
19 Corps logisticians consider joint, multinational, and host nation assets when planning support for engineer operations.

(a) True  (b) False

20 Engineer logistical plans will most likely be in support of joint and multinational operations.

a. logistical
b. Engineer logistical
c. Corps engineer
d. All of these

Answers for Self Assessment Questions
1. (a)  2.(a)  3.(d)  4.(a)  5.(b)  6.(a)  7.(a)  8.(a)  9.(b)  10.(c)
11.(b)  12.(a)  13.(a)  14.(c)  15.(a)  16.(a)  17.(a)  18.(d)  19.(a)  20.(b)
Chapter-5 Logistics in Different Industries

Self Assessment Questions

1. _______ utility refers to the value or usefulness that comes from a customer being able to take possession of a product
   a. Time
   b. Place
   c. Form
   d. Possession

2. _______ utility refers to having products available where they are needed by customers.
   a. Possession
   b. Time
   c. Place
   d. Form

3. All of the following terms have been used to refer to business logistics except:
   a. business logistics
   b. industrial distribution
   c. logistics management
   d. all of the above are correct

4. How well a company does what it says it’s going to do” represents ______.
   a. efficiency
   b. productivity
   c. leading edge logistics
   d. effectiveness

5. Health care in the United States is a right guaranteed in the
   b. Bill of Rights.
   d. none of these

6. The three major issues in healthcare are
   a. cost, access, and quality.
   b. cost, training, and quantity.
   c. cost, access, and training.
   d. none of the above

7. Efforts to use 3-D computing in healthcare are designed to
   a. visualize medical procedures.
   b. create computer games that help practitioners learn.
   c. create encryption techniques to safeguard information.
   d. none of the above

8. In the health care industry, employers, the public and private insurers are examples of
   a. lobbyists.
   b. stakeholders.
c. formal interest groups.
d. political groups.

9 Health care represents what portion of the GDP?
a. 1-5%
b. 6-10%
c. 11-15%
d. 16% or higher

10 The total cost of logistics for a typical company is 7% to 12% of sales and is growing due to increasing supply chain complexities.
(a) True (b) False

11 A third-party logistics provider (3PL) is an asset based company that offers logistics and supply chain management services to its customers.
(a) True (b) False

12 The majority of focus group participants indicated that information technology (IT) is a key capability for a 3PL in the delivery of a service offering.
(a) True (b) False

13 The typical time horizon for aggregate planning is
a. less than a month
b. up to 3 months
c. 3 to 18 months
d. over one year

14 Which of the following is the term used for medium range capacity planning with a time horizon of three to eighteen months?
a. material requirements planning
b. short-range planning
c. strategic planning
d. aggregate planning

15 Aggregate planning is capacity planning for
a. the long range
b. the intermediate range
c. the short range
d. typically one to three months

16 Planning tasks associated with job scheduling, machine loading, and dispatching typically fall under
a. short-range plans
b. intermediate-range plans
c. long-range plans
d. mission-related planning

17 A cascading impact of delays and detentions due to nodes are often evident in reviews of operations.
(a) True (b) False
18 Postal services originated with the necessity of communicating written messages.
   (a) True  (b) False

19 Industrial location analyses typically attempts to
   a. maximize sales
   b. focus more on human resources
   c. be environmentally friendly
   d. reduce costs

20 Indian postal services are mainly concerned with collection, sorting, and distribution of letters
   (a) True  (b) False

Answers for Self Assessment Questions
1. (d)  2. (c)  3. (d)  4. (d)  5. (d)  6. (a)  7. (a)  8. (b)  9. (d)  10. (a)
11. (a)  12. (a)  13. (c)  14. (d)  15. (b)  16. (a)  17. (a)  18. (a)  19. (d)  20. (a)
Chapter-6 International Distribution and the Role of Logistics

Self Assessment Questions

1. DRP stand for
   a. Distribution Resource Planning
   b. Direct Resource Planning
   c. Disk Resource Planning
   d. All of these

2. .......................... also called part lists or building lists is the document generated at the design stage.
   a. MRP (Material Requirement Planning)
   b. MPS (Master Production Schedule)
   c. BOM (Bill of Materials)
   d. None of these

3. .......................... is the scientific technique for planning the ordering and usage of materials at various levels of production and for monitoring the stocks during these transaction.
   a. MPS
   b. MRP
   c. BOM
   d. None of these

4. .......................... is the time that elapses between issuing replenishment order and receiving the material in stores.
   a. Replenishment time
   b. Lead time
   c. Idle time

5. .......................... is the task of buying goods of right quality, in the right quantities, at the right time and at the right price.
   a. Supplying
   b. Purchasing
   c. Scrutinizing
   d. All of these

6. Which is not a part of 5R’s of buying?
   a. Right Quality
   b. Right Quantity
   c. Right Source
   d. None of the above

7. Purchasing responsibilities can be divided into Buying, Clerical and ............... division.
   a. Packing
   b. Traffic
   c. Record
8. The first activity of Purchasing cycle is
   a. Communicating requirement to the purchase
   b. Inspection of goods
   c. Source Selection and development
   d. Recognizing the need for procurement

9. Buying according to the requirements is called ............
   a. Seasonal Buying
   b. Hand to mouth buying
   c. Scheduled Buying
   d. Tender Buying

10. Procuring an item in staggering deliveries according to the delivery schedule finished
to the supplier by the buyer.
    a. Seasonal Buying
    b. Hand to mouth buying
    c. Scheduled Buying
    d. Tender Buying

11. Buying of the annual requirements of an item during its season.
    a. Seasonal Buying
    b. Hand to mouth buying
    c. Scheduled Buying
    d. Tender Buying

12. Raw Materials and WIP can be classified under-
    a. Indirect Material
    b. Finished Material
    c. Direct Material
    d. Finished Material

13. ............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

14 The raw materials, components, completed or partially completed products, and
pieces of equipment a firm uses are often referred to as
    a. Inventory.
    b. Order quantities.
    c. Production.
    d. Outputs.
15 Getting products to customers, obtaining and managing raw materials, and packaging finished products are all activities of
   a. Procurement.
   b. Logistics.
   c. Production.
   d. Materials management.

16 International marketing is becoming more important to companies as the world shifts from distinct national markets to linked global markets.
   (a) True   (b) False

17 The important of logistics systems lies in the fact that it leads to ultimate consummation of the sales contract.
   (a) True   (b) False

18 SCM stands for
   a. Supply chain manufacture
   b. Supply chain management
   c. Support chain management
   d. All of these

19 Supply chain is not the process that is involved from the procurement of raw materials till the outcome as finished products.
   (a) True   (b) False

20 As Inbound Logistics provider, will work with suppliers, vendors, contract manufacturing and distribution centers, and all others shipping raw materials or finished goods into facilities.
   (a) True   (b) False

Answers for Self Assessment Questions
1. (a) 2. (c) 3. (b) 4. (b) 5. (b) 6. (d) 7. (b) 8. (c) 9. (b) 10. (c) 11. (a) 12. (c) 13. (b) 14. (a) 15. (b) 16. (a) 17. (a) 18. (b) 19. (b) 20. (a)
Chapter-7 Third-Party Logistics Service Providers

Self Assessment Questions

1 The growth of 3PL companies began back in the 1980’s when businesses began to look for new ways in which they could outsource logistics functions and concentrate on their core business.
(a) True  (b) False

2 Deciding to use a third party logistics company is not a decision that depends on a variety of factors that differ from business to business.
(a) True  (b) False

3 ECR stand for
   a. Efficient-customer response
   b. Efficient-consumer-response
   c. Both (a) and (b)
   d. None of these

4 What does LCC stand for?
   a. Low Charge Carrier
   b. Little Cost Carrier
   c. Little Charge Carrier
   d. Low Cost Carrier

5 Sales promotions are primarily used to increase sales levels in the:
   a. long term
   b. medium term
   c. short term
   d. All of these

6 Sales promotion is a promotional tool regarded as:
   a. around-the-line
   b. above-the-line
   c. through-the-line
   d. below-the-line

7 The credibility of a sales promotion event is usually:
   a. high
   b. low
   c. medium
   d. of no consequence

8 The logical starting point is to understand how logistics competency adds value to the user firms and its customers.
(a) True  (b) False
9 TPR stands for:
   a. the promotion rate
   b. top promotional return
   c. temporary price reduction
   d. All of these

10 The main reason for manufacturers to use sales promotions when launching new products is to:
   a. increase sales
   b. establish distribution
   c. develop loyalty
   d. encourage trial

11 The 4PL concept addresses the shortfalls of traditional 3PL arrangements and offers the opportunity to achieve substantial incremental benefits.
   (a)True          (b) False

12 As the markets get more competitive, promotion is an imperative element of the 3PL Marketing Mix.
   (a)True          (b) False

13 ………………is involved in price decisions, both internal and external to the firm.
   a. Logical
   b. Logistics
   c. Both (a) and (b)
   d. All of these

14 The downstream supply chain is:
   a. Exclusively inside an organization.
   b. Involved with procurement of material from suppliers.
   c. The distribution of products or delivery of services to customers.
   d. Both the first and third answer above.
   e. none of the above

15 The product in logistics is mainly a service, which can be different depending on the customer group.
   (a)True          (b) False

16 Asset based third party logistics companies’ use their own trucks, warehouses and personnel to operate their business.
   (a)True          (b) False

17 A set of products, each of which contributes to the overall corporate picture, is called:
   a. Product portfolio.
   b. Product line.
   c. Family brands.
   d. None of these

18 A product with a small share of a low growth market is called:
a. A star.
b. A dog.
c. A question mark.
d. All of these

19 What does SBU stand for?
   a. Strategic Base Unit.
   b. Strategic Business Unit.
   c. Strategic Buying Unit.
   d. All of these

20 Foreign logistics giants are expected to step up their presence in this expanding market, with many mergers and acquisitions likely to happen in this sector.
   (a) True  
   (b) False

Answers for Self Assessment Questions
1. (a)  2.(b)  3.(b)  4.(d)  5.(c)  6.(d)  7.(b)  8.(a)  9.(c)  10.(b)  
11.(a)  12.(a)  13.(b)  14.(c)  15.(a)  16.(a)  17.(a)  18.(b)  19.(b)  20.(a)
Chapter-8 Development of Warehouse Resources

Self Assessment Questions

1. This measurement is aimed to integrate the customer specification in design, set the dimensions of quality and the feedback for the control process.
   (a) True (b) False

2. The customer query time refers to the time it takes for a firm to respond to a customer enquiry with the required 
   a. the Internet  
   b. skilled operators  
   c. transportation modes  
   d. information
   (a) True (b) False

3. As an important part of SCM, the performance of the production process also needs to be measured, managed, improved, and suitable metrics for it should be established.
   (a) True (b) False

4. These measures are designed to evaluate the performance of delivery and distribution cost in supply chain.
   (a) True (b) False

5. The integration and organization of information and logistics across firms in a supply chain for the purpose of creating and delivering products and services that provide value to ultimate consumers is referred to as 
   a. supply chain management  
   b. logistics management  
   c. electronic data interchange (EDI)  
   d. just-in-time management

6. The four key logistic functions in a supply chain include warehousing and materials handling, order processing, inventory management, and 
   a. communication between buyer and seller  
   b. problem resolution  
   c. order cycle time  
   d. transportation

7. The ILS is the integrated planning and action of a number of disciplines in concert with one another to assure system availability.
   (a) True (b) False

8. Manpower and personnel involves identification and acquisition of personnel with skills and grades required to operate and maintain a system over its lifetime.
   (a) True (b) False
9 Technical Data and Technical Publications consist of scientific or technical information necessary to translate system requirements into discrete engineering and logistic support documentation.

(a) True  (b) False

10 Design features for efficient supply chains include:
   a. Frequent new-product introduction.
   b. Predictable demand.
   c. Customization.
   d. High contribution margins

11 A firm has the least amount of control over external causes of supply-chain dynamics. External causes include:
   a. Product promotions.
   b. Engineering changes to the product.
   c. Expected changes in customer demand.
   d. Information (e.g., demand forecast) errors.

12 Design interface is not the relationship of logistics-related design parameters of the system to its projected or actual support resource requirements.

(a) True  (b) False

13 The basic requirements that need to be considered as part of design interface include:
   a. Reliability
   b. Maintainability
   c. Process Integrity
   d. Both (a) and (b)

14 IML offers integration capability to control other connected (external) systems and monitor their operations as well.

(a) True  (b) False

15 BSP is the short form of
   a. Business Systems program
   c. Business Sources plan
   d. All of these

16 The processes of transforming raw materials to finished product delivered to customers refer to:
   a. The physical transformation task.
   b. The information management task.
   c. The problem-solving task of value stream management.
   d. None of the above.

17 Reliance on linked third parties, close relationships with suppliers defines:
   a. Vertical integration.
   b. Virtual integration.
c. Vertical disintegration (disaggregation).
d. None of the above.

18 What type of benchmarking is the company using?
   a. Internal benchmarking
   b. Competitive benchmarking
   c. Functional benchmarking
   d. Strategic benchmarking

19 Today, a growing number of firms now outsource some or all of their logistics to
   a. third-party logistics providers
   b. channel members
   c. disintermediaries
   d. competitors
   e. cross-functional teams

20 The function of a supply chain does not end by providing goods to the customer.
   (a) True  (b) False

Answers for Self Assessment Questions
1. (a)  2.(d)  3.(a)  4.(a)  5.(a)  6.(d)  7.(a)  8.(a)  9.(b)  10.(c)
11.(b) 12.(d) 13.(a) 14.(a) 15.(b) 16.(a) 17.(c) 18.(c) 19.(a) 20.(a)
Chapter 9: Cost Effectiveness and Performance Management

Self Assessment Questions

1 An information system always:
   a. Is computer-based.
   b. Requires hardware even if only a pencil.
   c. Transforms inputs to information.
   d. All of these

2 Operating systems software is primarily aimed at supporting business users in their tasks.
   (a) True   (b) False

3 Operating systems software is primarily aimed at controlling the operation of system components such as input and output devices and the processor.
   (a) True   (b) False

4 An example of information to support strategic management is:
   a. Electronic Document management system.
   b. Business Intelligence system.
   c. Spreadsheet model of income projections.
   d. None of these

5 An example of information to support operational management is:
   a. Electronic Document management system.
   b. Spreadsheet model of income projections.
   c. Business Intelligence systems.
   d. None of these

6 An example of information to support tactical management is:
   a. Electronic Document management system.
   b. Spreadsheet model of income projections.
   c. Business intelligence systems.
   d. All of these

7 Which type of software is focused on supporting communication, collaboration and coordination?
   a. E-business software.
   b. Groupware.
   c. CRM software.
   d. SCM software.

8 An application used in an organization which runs on a managed server external to the company is best known as:
   a. An application Service Provider solution.
   b. Object-oriented software.
   c. Packaged software.
   d. Bespoke software.
9 The criterion used to assess how user and business needs are met in software is:
   a. Compatibility.
   b. Scalability.
   c. Security.
   d. Functionality.

10 E-business software is best defined as to manage:
   a. Internal administrative applications.
   b. Sell-side e-commerce applications.
   c. Buy-side applications.
   d. All of these

11 Performance management (PM) includes activities that ensure that goals are consistently being met in an effective and efficient manner.
   (a)True          (b) False

12 Approach to measuring cost-effectiveness or efficiency in the public sector is empirically demonstrated using data on municipalities.
   (a)True          (b) False

13 Materials Management is simply the process by which an organization is supplied with the goods and services that it needs to achieve its objectives of buying, storage and movement of materials.
   (a)True          (b) False

14 MRP stands for
   a. Master Requirements Planning
   b. Materials Requirements Planning
   c. Methods Requirements Planning
   d. All of these

15 The inventory control of these various ..........with the materials management department, production department and sales department.
   a. Master lies
   b. Materials lies
   c. Both (a) and (b)
   d. None of these

16 According to Patching, ________________ is organisation development.
   a. Strategic thinking
   b. Management development
   c. Participative management
   d. Business strategy

17 An appropriate strategy to achieve timely, accurate, paperless information flow is:
   a. Efficient replacement
b. Integrate this activity is integrated into all supply chain planning
c. Efficient store assortments
d. Revision of organisation processes supported by information systems

18 An appropriate strategies to maximize efficiency of promotions is.............
   a. Efficient store assortments
   b. Revision of organisation processes supported by information systems
   c. Efficient replacement
   d. Integrate this activity is integrated into all supply chain planning

19 An appropriate strategy to optimize the productivity of retail space and inventory is:
   a. revision of organisation processes supported by information systems
   b. efficient replacement
   c. efficient store assortments
   d. none of these

20 The upstream supply chain is:
   a. exclusively inside an organisation
   b. involved with procurement of material from suppliers
   c. the distribution of products or delivery of services to customers
   d. both the first and third answer above
   e. none of these

Answers for Self Assessment Questions
1. (c)  2.(b)  3.(a)  4.(b)  5.(a)  6.(b)  7.(b)  8.(a)  9.(d)  10.(a)
11.(a)  12.(a)  13.(a)  14.(b)  15.(b)  16.(b)  17.(d)  18.(d)  19.(c)  20.(b)
Chapter-10: Distribution System and Logistics

Self Assessment Questions

1. Which of the following is not a typical supply chain member?
   a. customer
   b. retailer’s creditor
   c. producer
   d. reseller

2. When suppliers, distributors, and customers partner with each other to improve the performance of the entire system, they are participating in a ……………...
   a. supply and demand chain
   b. demand chain
   c. value delivery network
   d. channel of distribution

3. A company’s channel decisions directly affect every …………………
   a. marketing decision
   b. customer’s choices
   c. employee in the channel
   d. channel member

4. From the economic system’s point of view, the role of marketing intermediaries is to transform the assortment of products made by producers into the assortment of products wanted by ……………
   a. distributors
   b. manufacturers
   c. consumers
   d. marketers

5. Intermediaries play an important role in matching …………………
   a. supply and demand
   b. manufacturer to product
   c. information and promotion
   d. dealer with customer

6. Which of the following is not a key function that intermediaries play in completing transactions?
   a. negotiation
   b. negotiation
   c. financing
   d. promotion

7. In marketing terms, we say that the number of intermediary levels indicates the …………… of a channel.
   a. depth
   b. length
   c. complexity
   d. width
8. An advantage of a channel of distribution over selling direct to consumers is that each channel member plays a ……………… in the channel.
   a. informational role
   b. time-saving part
   c. decisional role
   d. specialized role

9. Historically, conventional channels have lacked the leadership to ………………..
   a. assign channel member roles and attain efficiency
   b. set standard pricing and packaging
   c. set standard pricing and promotions
   d. assign member roles and manage conflict

10. A channel consisting of one or more independent producers, wholesalers or retailers that are seeking to maximize their own profits even at the expense of profits for the channel as a whole is a ………………..
    a. independent channel allocation
    b. conventional distribution channel
    c. vertical marketing system
    d. vertical distribution structure

11. A corporate VMS has the advantage of controlling the entire distribution chain under ………………..
    a. little control
    b. a few intermediaries
    c. single ownership
    d. mass distribution

12. A distinguishing feature of a contractual VMS is that coordination and conflict management among the independent members of the channel are attained through ………………..
    a. natural competitive forces
    b. oral agreements
    c. contractual agreements
    d. working partnerships

13. Leadership in which type of marketing system is assumed not through common ownership or contractual ties but through the size and power of one or a few dominant channel members?
    a. dual distribution system
    b. corporate VMS
    c. horizontal marketing system
    d. administered VMS

14. Hybrid marketing systems are also called ………………..
    a. contractual marketing systems
    b. horizontal multichannel systems
    c. administered franchises
    d. multichannel distribution systems
15. The major disadvantage of a multichannel system is that it is harder to control and it can generate ...............  
   a. less net profit  
   b. inefficiency  
   c. declining employee morale  
   d. greater conflict  

16. In many industries, traditional intermediaries are dropping by the wayside because of changes in ............... and the growth of ............... marketing.  
   a. technology; direct and online  
   b. federal laws; business-to-business  
   c. state and local laws; target  
   d. channel design; retail  

17. Companies should state their channel objectives in terms of targeted levels of ...............  
   a. customer service  
   b. co-op advertising  
   c. efficiency and reduced conflict  
   d. fair prices  
   e. profitability  

18. Which type of product might require a more direct marketing channel to avoid delays and too much handling?  
   a. perishable products  
   b. products in their decline stage  
   c. high-priced products  
   d. products in their maturity stage  

19. Sometimes a producer chooses only a few dealers in a territory to distribute its products or services. Generally these dealers are given a right to ............... distribution.  
   a. administered  
   b. intensive  
   c. corporate  
   d. exclusive  

20. Channel members should be evaluated using all of the following criteria except which one?  
   a. control  
   b. economic factors  
   c. adaptive criteria  
   d. channel leadership  
   e. none of the above  

**Answers for Self Assessment Questions**  
1. (c)  2.(c)  3.(a)  4.(c)  5.(a)  
6. (c)  7.(b)  8.(d)  9.(d)  10.(b)  
11. (c)  12.(c)  13.(d)  14.(d)  15.(d)  
16. (a)  17.(a)  18.(a)  19.(d)  20.(d)