



RAN-3427

Second Year B.B.A. (Sem. III) Examination

March / April - 2019

Production Management -1

Time: 2 Hours]

[Total Marks: 50

સૂચના : / Instructions

નીચે દર્શાવેલ નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fill up strictly the details of signs on your answer book

Name of the Examination:

☛ **Second Year B.B.A. (Sem. III)**

Name of the Subject :

☛ **Production Management -1**

Subject Code No.:

3

4

2

7

Seat No.:

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Student's Signature

1. All questions are compulsory.
2. Figures to the right indicate full marks allocated to each question.
3. Use of calculator and statistical table is permitted.

Q.1 Attempt any five.

(10)

- (a) Define production and production management.
- (b) Define plant site / location.
- (c) Define process lay out and product lay out.
- (d) Define inventory and inventory control.
- (e) Define shortage cost and mention the components of shortage cost.
- (f) Define material handling and mention the functions of material handling.
- (g) Define safety stock and mention the factors affecting safety stock.
- (h) Define FSN analysis.

Q.2 Attempt any one. (08)

- (a) Briefly explain the scope of production management
- (b) Explain interfacing of production function with other functions (marketing, finance and human resource functions).

Q.3 Attempt any one. (08)

- (a) Briefly explain various factors affecting the selection of plant location.
- (b) Compare rural plant location with urban plant location.

Q.4 Attempt any one. (08)

- (a) Compare process lay out with product lay out.
- (b) Describe various material handling equipments.

Q.5 Attempt any two. (16)

- (a) Write a short note on ABC analysis.
 - (b) Derive EOQ formula for basic model, giving assumptions and limitations.
 - (c) A producer of photo equipment buys lenses from a supplier at the rate of Rs. **100** per unit. The annual requirement of lenses is **125**. The cost of ordering is Rs. **18** per order. The inventory carrying cost is Rs. **20** per unit per year. The supplier offers **6%** discount on minimum purchase quantity of **50** lenses and **8%** discount for minimum **100** lenses. Therefore, find the best ordering quantity,
 - (d) A company purchases boxes in the lot of **500** units which is its quarterly requirement. The cost of a box is Rs. **125**. Ordering cost is Rs. **150** per order. Inventory carrying cost is **20%** of value. Therefore, find the total annual cost of existing inventory policy. What is the saving by applying EOQ?
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