



GL BAJAJ

Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306
POST GRADUATE DIPLOMA IN MANAGEMENT (2024-25)
MID TERM EXAMINATION (TERM -IV)

Subject Name: **Materials and Purchase Management**

Time: **01.00 hrs**

Sub. Code: PGO41

Max Marks: **20**

Read the case and answer the questions

10×02 = 20 Marks

Case Study:

XpertTech Solutions, a mid-sized technology hardware manufacturer based in India, specializes in producing electronic components for the telecommunications and healthcare sectors. Over the past decade, the company has seen steady growth, which has led to challenges in managing its material procurement processes. As the demand for products increased, the company began facing issues with inventory control, supplier management, and material shortages, which resulted in production delays and financial losses.

Recently, XpertTech implemented an Enterprise Resource Planning (ERP) system to streamline its material and purchase management processes. The ERP system aimed to enhance supplier collaboration, optimize inventory levels, and improve purchasing decisions. Despite the ERP implementation, the company continues to face certain challenges, such as fluctuating material costs, inconsistent quality from suppliers, and inefficient inventory management.

Scenario:

In the latest quarterly meeting, the company's CEO, Mr. Suresh Iyer, highlighted three major concerns:

1. **Material Shortages:** Despite having an ERP system in place, there were recurring shortages of key raw materials such as semiconductors and copper wiring, causing production halts and missed delivery deadlines.
2. **Supplier Management:** The procurement team relies heavily on a few suppliers, leading to vulnerability in case of supply chain disruptions. Additionally, some suppliers consistently delivered subpar materials, affecting the quality of the final product.
3. **Inventory Holding Costs:** The finance department pointed out that the company's high inventory levels were leading to unnecessary holding costs, which impacted the overall profitability.

Mr. Iyer formed a cross-functional team to address these challenges and come up with actionable solutions. The team includes the procurement manager, inventory controller, and a supply chain consultant. They were given 3 months to come up with a comprehensive strategy to improve the company's material and purchase management processes.

Questions:

1. **What steps should XpertTech take to mitigate risks associated with over-reliance on a few suppliers? Suggest strategies for diversifying the supplier base.**
2. **What strategies should XpertTech adopt to ensure timely availability of raw materials while minimizing shortages?**

Mapping of Questions with Course Learning Outcome

Question Number	COs	Marks Allocated
Q. A	CO2	10 marks
Q. B	CO3	10 marks