

## Materials Management

1. Purchasing in advance for specified future period is termed as:-

- (1) Market purchase
- (2) Group purchase
- (3) Job purchase
- (4) **Forward purchasing**

2. EOQ means:-

- (1) **Economic order quantity**
- (2) Equal order quantity
- (3) Essential order quantity
- (4) None of the above

3. \_\_\_\_\_ is the most important element of purchase.

- (1) Quality
- (2) Price
- (3) **Quantity**
- (4) Service

4. Materials management department should purchase goods of lower quality to save cost.

- (1) True
- (2) **False**

5. Output of material planning are:-

- (1) Rescheduling notices
- (2) Cancellation of orders
- (3) Planned order schedules for future
- (4) Order release notices
- (5) **All of the above**

6. Materials planning is:-

- (1) Decrease the efficiency of the organisation
- (2) Has no impact on the organisation
- (3) **Increases the efficiency of the organisation**
- (4) Is a waste of time

7. Original (first) copy of PO goes to \_\_\_\_\_ dept.

- (1) **Supplier**
- (2) Stores dept
- (3) Production dept
- (4) Purchase dept

8. Better planning of storage of materials helps in:-

- (1) Production planning
- (2) **Minimising production cost**
- (3) Maximising production cost
- (4) None of the above

9. If bakery produces 200 loaves of bread on Monday at cost of 1 Re. each and 200 more on Tuesday at Rs.1.25. Calculate the ending inventory with the weighted Average method.

- (1)  $(Rs. 1 + Rs. 1.25)/2$
- (2)  $(400 * Rs 1.25)$
- (3)  $400 (Rs 1 + Rs 1.25)$
- (4)  **$(200 * Rs.1) + (200 * Rs. 1.25) / 400$**

10. Select the "False" statement:-

- (1) Hurdles in VAs lack of knowledge, mind sets and resistance of change
- (2) The value analysis is not done for critical items
- (3) Value analysis process has to be carried out by cross functional teams
- (4) **VA is a team to think about the functionality of a component "what it is" rather than "what it does"**