BALLARI INSTITUTE OF TECHNOLOGY & MANAGEMENT

(Autonomous Institute under Visvesvaraya Technological University, Belagavi)

USN [ ][ ][ ][ ][ ][ ][ ][ ][ ][ ] Course Code | 2 | 2 | M | B | A | L | S | 3 | 0 | 3 |

Third Semester MBA Degree Examinations, March/April 2024
PURCHASING AND STRATEGIC SOURCING

Duration: 3 hrs   **Max. Marks: 100**

*Note: 1. Answer any **FOUR** full questions from Question No. 1 to 7.*
*   2. Question No. 8 is compulsory*
*   3. Missing data, if any, may be suitably assumed*

Q. No		*Question*	*Marks*	*(RBTL:CO:PO)*
1.	a.	How important purchasing is to the success of an organization? Give some example.	03	(1 :1 : 1)
	b.	Write the application of the centralized and decentralized purchasing.	07	(1 :1 : 1)
	c.	What different knowledge and skills set do you feel are required for a purchasing professional?	10	(1 :1 : 1)
2.	a.	Analyse the concept category strategy.	03	(2 :2 : 2)
	b.	Analyse the various supplier management strategies.	07	(2 :2 : 2)
	c.	Briefly analyse the components of supply management's internal linkages.	10	(2 :2 : 2)
3.	a.	How do you identify potential supply sources?	03	(3 :3 : 3)
	b.	Evaluate the various methods for evaluating and selecting suppliers?	07	(3 :3 : 3)
	c.	Develop a process of supplier evaluation and selection survey.	10	(3 :3 : 3)
4.	a.	Explain the concept of negotiation by determining the importance.	03	(4 :4 : 4)
	b.	How do you design negotiation framework in business situation?	07	(4 :4 : 4)
	c.	Elaborately articulate the planning of the negotiation.	10	(4 :4 : 4)
5.	a.	Communicate the essence of fixed-price contracts.	03	(5 : 5 : 5)
	b.	Deliberate the long-term contracts in alliances and partnerships.	07	(5 : 5 : 5)
	c.	Construct the steps to write contract agreement.	10	(5 : 5 : 5)
6.	a.	Write the different types of purchasing with its application.	03	(1 :1 : 1)
	b.	Write different cost analysis techniques used for the application in strategic sourcing.	07	(1 :1 : 1)
	c.	Write the applications of different tools used in E-Procurement.	10	(1 :1 : 1)
7.	a.	Analyse the critical role of cross functional scouring teams.	03	(2 :2 : 2)
	b.	Analyse the concept of aligning supply management and enterprise objectives.	07	(2 :2 : 2)

Note: (RBTL - Revised Bloom's Taxonomy Level: CO - Course Outcome: PO– Programme Outcome)

c. Analyse the different evolving sourcing strategies in purchase process. **10** (2 :2 : 2)

8.   <u>**Case Study**</u>

Volvo 3P, while sharing some activities with the outlined model, maintains its distinct approach to supplier quality development. Unlike the belief of Mr. Thomasson, Volvo 3P does not prioritize continuous improvement across all suppliers, instead focusing on maintaining a moderate quality level among existing suppliers to avoid excessive changes. Quality development programs are primarily targeted at suppliers showing declining or inadequate quality, especially those providing critical components. Volvo 3P allocates resources specifically for improving the quality of these crucial suppliers, employing a four-step model: diagnosis, alert, alarm, and critical decision. Notably, Volvo 3P applies different strategies for suppliers from developing countries, with specialized programs in place for nations like Hungary, Poland, and Slovakia. Although Volvo 3P currently does not differentiate significantly between Western and developing country suppliers due to standardized quality standards, efforts are underway to address quality and communication challenges in emerging markets like Russia, where Volvo plans to establish a new plant. Education programs for Russian automotive suppliers are being conducted by BU in collaboration with international organizations to align them with Volvo's quality expectations and standards.

a. How does Volvo 3P's approach to supplier quality development differ from the conventional belief of prioritizing continuous improvement across all suppliers? **10** (4 :4 : 4)

b. What specific steps does Volvo 3P take to address quality issues among suppliers, particularly those providing critical components, and how does this approach reflect its distinct strategy in supplier quality development? **10** (5 : 5 : 5)

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