

**SCHEME OF EVALUATION**  
**Internal Assessment Test 1– Jan 2025**

Sub: **Logistics & Supply chain Management**

Date: \_\_\_\_\_ Duration: 90mins Marks: 50 Max

Sem: I

Code: **301**

Branch: **MBA**

**Note:** Part A - Answer Any Two Full Questions (20\*02=40 Marks)

Part B - Compulsory (01\*10= 10marks)

Part	Question #	Description	Marks Distribution	Max Marks
A	1	a) <b>Define logistics and state any two objectives of logistics management.</b>	<b>Logistics</b> is the process of planning, implementing, and controlling the efficient flow and storage of goods, services, and related information from point of origin to point of consumption to meet customer requirements. <b>Two objectives:</b> To ensure timely delivery of products. To minimize total logistics costs while maintaining service quality.	3
		b) <b>Explain the evolution of logistics towards Supply Chain Management.</b>	Logistics initially focused on transportation and warehousing. With globalization, logistics expanded to include inventory management, order processing, and packaging. <b>Evolution into Supply Chain Management (SCM)</b> involved integrating logistics with procurement, production, and distribution across the entire supply chain. SCM emphasizes coordination among suppliers, manufacturers, and retailers for efficiency and customer satisfaction.	7 20 M
		c) <b>Discuss the scope and structure of the logistics</b>	<b>Scope:</b> Includes transportation (road, rail, air, sea), warehousing, freight forwarding, 3PL/4PL services, cold chain logistics, and e-commerce logistics. <b>Structure:</b>	10

		<b>industry in India.</b>	<p><b>Unorganized sector:</b> Small truck owners, local warehouses.</p> <p><b>Organized sector:</b> Large players like DHL, Blue Dart, container freight stations, tech-driven logistics platforms.</p> <p><b>Government initiatives:</b> GST, Sagarmala, Bharatmala, National Logistics Policy.</p>		
2	a)	<b>What are the major types of logistics?</b>	<p><b>Inbound Logistics</b> – Movement of raw materials into a company.</p> <p><b>Outbound Logistics</b> – Movement of finished goods to customers.</p> <p><b>Third-Party Logistics (3PL)</b> – Outsourcing logistics activities.</p> <p><b>Reverse Logistics</b> – Return of goods from customers.</p> <p><b>Green Logistics</b> – Environmentally sustainable logistics.</p>	3	
	b)	<b>Describe the logistical activities and their importance.</b>	<p><b>Transportation:</b> Moves goods; critical for timely delivery.</p> <p><b>Warehousing:</b> Stores inventory; ensures availability.</p> <p><b>Inventory Management:</b> Balances stock levels; reduces holding costs.</p> <p><b>Order Processing:</b> Handles customer orders; impacts service speed.</p> <p><b>Packaging:</b> Protects goods; aids handling and storage.</p> <p><b>Information Flow:</b> Enables coordination; reduces errors.</p>	7	20 M
	c)	<b>Explain logistics system design and administration. How is a logistics environment assessment</b>	<p><b>Logistics system design</b> involves deciding on the network of facilities, transportation modes, and inventory policies to meet service goals at lowest cost.</p> <p><b>Administration</b> includes organizing, staffing, directing, and controlling logistics operations.</p> <p><b>Logistics environment assessment:</b> Analyze <b>external factors</b> (competition, regulations, technology).</p> <p>Assess <b>internal capabilities</b> (resources, IT</p>	10	

			<b>conducted?</b>	systems). Use tools like SWOT, PESTLE, and benchmarking.		
		a)	<b>Explain the concept of "expected cost of stock outs."</b>	It is the estimated financial loss due to unfulfilled demand when inventory is unavailable. Includes <b>lost sales, customer dissatisfaction, penalties, and brand damage</b> .	3	
	3	b)	<b>Discuss the need for logistics management in modern business.</b>	Ensures <b>customer satisfaction</b> through timely delivery. Reduces <b>operational costs</b> via optimized routes and inventory. Enhances <b>competitive advantage</b> . Supports <b>global supply chains</b> and e-commerce growth.	7	20 M
		c)	<b>Describe pricing in logistics and logistics costs, including the expected cost of stock outs.</b>	<b>Pricing in logistics:</b> Based on transportation mode, distance, weight, urgency, and special handling. <b>Logistics costs:</b> Include transportation, warehousing, inventory carrying, order processing, and packaging. <b>Expected cost of stock outs:</b> Adds risk cost to inventory decisions; influences safety stock levels.	10	
B	4	a)	<b>How did poor information flow contribute to increased logistics costs and stock-outs at FreshKart? Explain with examples.</b>	<b>Poor information flow</b> led to inaccurate demand forecasts, causing excess inventory in some warehouses and stock-outs in others. <b>Examples:</b> Overstocking increased holding costs. Understocking led to rush orders and higher transportation costs. Lack of real-time data caused delays and missed sales.	10	10 M

		b)	<p><b>Evaluate the impact of integrating a Logistics Information System (LIS) on FreshKart's overall supply chain performance.</b></p>	<p><b>Improved forecasting</b> → reduced stock-outs by 40%.</p> <p><b>Optimized transportation routes</b> → lower fuel and time costs.</p> <p><b>Better coordination</b> with suppliers and retailers → smoother operations.</p> <p><b>Overall result:</b> 18% reduction in logistics costs and higher customer satisfaction.</p>		