

Sample Question Paper

Subject- Purchasing and Materials Management

Subject code 203

Note – This is a sample Question paper for student's exam reference only, might be pattern of paper can be change in actual examination.

Q.1 Due to circumstances of the external factors, if the schedules indicated in indent are getting affected it is essential that respective departments are alerted by the purchasing staff.

1. TRUE
2. FALSE

Correct Answer :-

TRUE

Q. 2 Materials Manager of manufacturing company must encompass the pre-manufacturing activities till the material is available for processing. The role thus is comparable to that of the Manufacturing or Marketing Managers.

1. TRUE
2. FALSE

Correct Answer :-

TRUE

Q. 3 Materials Management process begins with supplier and ends when the:-

1. Material is received in the plant
2. Material is issued to production
3. Material is consumed and incorporated into product
4. None of these

Correct Answer :-

Material is consumed and incorporated into product

Q. 4 While almost all the components of Maruti Udyog come from its vendor base, the vendors

cannot make a car by themselves since:-

1. They are small entities
2. They do not know the principals of automative design
3. Maruti has the processes of value addition with them and the overall design
4. None of these

Correct Answer :-

Maruti has the processes of value addition with them and the overall design

Q. 5 Materials Manager must balance the cost of carrying stocks to the _____ for deciding

the inventory level.

1. Cost of possible shortage
2. Price of material
3. Volume of material
4. None of these

Correct Answer :-

Cost of possible shortage

Q. 6 Loading the finished goods into the carrier is normally the responsibility of the:-

1. Materials department
2. Production department
3. PPC department
4. None of these

Correct Answer :-

Materials department

Q. 7 A good Materials Manager's principle is managed:-

1. By equal control on all items
2. By exception
3. By control on the basis of volume only
4. None of these

Correct Answer :-

By exception

Q. 8 While achieving lower prices of items, consistency of quality:-

1. May be affected favourably
2. May be affected adversely
3. May not be affected anyway
4. None of these

Correct Answer :-

May be affected adversely

Q. 9 While achieving lower prices of items, continuity of supply:-

1. May be affected favourably
2. May be affected adversely
3. May not be affected anyway
4. None of these

Correct Answer :-

May be affected adversely

Q. 10 Policies are broad over all guides to performance.

1. TRUE
2. FALSE

Correct Answer :-

TRUE

Q. 11 Procedures are the specific administrative actions needed to carry out policies.

1. TRUE
2. FALSE

Correct Answer :-

TRUE

Q. 12 Purchasing Manager can be a satisfactory substitute for a Materials Manager in the:-

1. Non-manufacturing organization
2. Manufacturing organization
3. Assembly line organization
4. Project organization

Correct Answer :-

Non-manufacturing organization

Q. 13 General electric materials organization is based:-

1. More on the products
2. On major activities
3. On deep type of organization
4. None of these

Correct Answer :-

More on the products

Q. 13 Functional specification of materials organization may:-

1. Make employee dissatisfied due to boredom
2. Make employee satisfied due to variety
3. Make employee happy due to expertise in more fields
4. None of these

Correct Answer :-

Make employee dissatisfied due to boredom

Q. 14 When quantities required are small and when services are required by the buyer, it is advisable:-

1. To buy through the distribution channel
2. To buy directly from the manufacturer
3. To manufacture in house
4. None of these

Correct Answer :-

To buy through the distribution channel

Q. 15 The disadvantage of single source is:-

1. Supplier has incentive to aid methods improvement.
2. More risk of interruption of supply
3. Higher administrative cost
4. None of these

Correct Answer :-

More risk of interruption of supply

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