

Name:	
Enrolment No:	

Course: Retail Logistics

Program B.B.A LM/ LSCM3003/BBDL112

Semester: VI

Time: 03 hrs.

Max. Marks:100

Instructions: Section A is compulsory (each carrying 5 marks = 30 marks); **Four Questions Compulsory and one question with internal choice** from **Section B** (each question carrying **10 marks = 50 marks**). **Section C** is case study (each question carrying **10 marks = 20 marks**);

Section A (This section is compulsory)

1.	Fill in the Blanks. Customer seeks good value as _____ divided by _____.	[2.5x 2= 5]	CO1
2.	_____ is the clause that stipulate in the lease that the lessor is responsible for removal and disposal of material (which causes environmental risk) if it's found.	[5]	CO2
3.	According to Strategic Profit Model, Return on Assets is equal to _____ divided by _____.	[2.5x 2= 5]	CO1
4.	Key objectives of a retailer are financial, _____ and Personal.	[5]	CO2
5.	Two approaches to customer service are _____ and _____.	[5]	CO2
6.	Root Cause Analysis is a Japanese technique and is called _____ in Japanese.	[5]	CO1

Section B

Five Questions Compulsory. (not more than 1 page)

1	What is Outsourcing? List its advantages and Disadvantages.	[10]	CO2, CO3
2	What are the elements of transportation? How it effects the mode of transport selection?	[10]	CO3
3	Explain the Supply chain Performance matrices for a retail chain.	[10]	CO3
4	In managing inventory, how POS data along with JIT/VMI can be a competitive advantage for a firm.	[10]	CO4
5	Compare the pricing strategies of EDLP and Hi-Lo pricing. OR What site characteristics influence the retail location and how?	[10]	CO3,C O4

Section-C

All questions in this section are compulsory.

Case Study :- Home Needs – Retail chain.

A retail chain by the name “Home Needs” of 4 stores is in the city of Kashipur. Home Needs has divided the city into four quadrants and there is one store in each quadrant of the city namely at Udairaj nagar (East), Aawas vikas(west), Jaspur(North) and pratappur(South). They open the stores 350 days a year. They have monopoly in the market as no big chain like easy day and wallmart has entered in this tier 3 city. The only competition comes from the stand alone stores and street kirana stores. The market from the center of the city is also not yet captured by Home Needs as all their stores are away from the city centre.

With growing markets and competition, Home Needs increased its Retail area and now each store has 3000 sqft for retail area out of which 500 sqft is used for storage in each store. But because of the following three reasons, others have started capturing the market to a great extent. Firstly, the no. of SKUs are very high in Home needs which leads to stockouts; Secondly, Home Needs works on cash and carry, and thirdly, Customers are price conscious, compromising on quality.

The management observed that the promotional schemes evolved and introduced by Home Needs are not reaching down to the customer, resulting in the lower combo sales and basket sales. Staff is only concerned with their jobs so they follow standardization and is not assisting the customers. The feed back from customers is that there is problem in SKU of same product packaging and frequent stockouts.

As of now, Home Needs doesn't use store to store transfer and uses milk run modal. Their lead time is 2 days as they replenish the stores regularly. Also they don't take into account the requirement of each store and send the same sort of inventory to each store. The excess inventory is always returned to the warehouse when its obsolete.

The pratappur stores, which lies in south of the city has the daily demand of 700 units of all sku combined and it is their most profitable store but always fights with either obsolete inventory or stockout problem. These challenges are there because it's the only store which serves the service class customers of the city, whose demand is constant.

The company has just adopted new IT solutions for their retail stores and their head warehouse which is in the centre of the city, almost equidistant from all stores. The new ERP is taking care of the inventory at warehouse in real time on the basis of sales at all stores. They are thinking of changing their distribution network for their warehouse – stores and also with the help of IT (online and app), they are preparing for entering into the home delivery segment also.

The company is yet to decide on promotional design and on the subject of opening a new store. The only good news is that because Home Needs has its own mother warehouse, so the order cost is equal to carrying cost for all stores. Company is also thinking of maximising the profit from their Pratappur store.

1	How Home Needs can solve inventory problems through POS data and IT combined?	[10]	CO4
2	Compute EOQ for pratappur Store. OR Should Home needs open a new store? Support your answer from the case study.	[10]	CO3, CO4