

PRINCE OF SONGKLA UNIVERSITY
FACULTY OF ENGINEERING

Midterm Examination : Semester II

Academic Year : 2006

Date : December 24 , 2006

Time : 9: 00-12:00

Subject : 228-553 Logistics & Supply Chain

Room : ห้อง

Management

Instructions

- There are 5 questions. The total score is 100.
- Write your own answer into the exam paper.
- All materials, books, calculators are allowed.

**Dr. Runchana Sinthavalai
Asst. Prof. Dr. Nikorn Siriwongpaisal
Assoc. Prof. Wanida Rattanamanee**

Name.....Code.....

Question	Full Scores	Assigned scores
1	15	
2	20	
3	25	
4	20	
5	20	
รวม	100	

ทุจริตในการสอบ โทษขั้นต่ำ คือ พักการเรียน 1 ภาคการศึกษา และปรับตกในรายวิชาที่ทุจริต

GOOD LUCK
😊😊😊😊😊😊

1. It is the statement “Supply Chain Management (SCM) significantly affects on the competitiveness, in particular for the strategic issues: (1) cost reduction, (2) rapid customer response and (3) product differentiation”.

Explain- how an effective SCM can approach these 3 strategic issues?

(15 points)

1

CODE.....

2. Answer the following questions. (20 points)

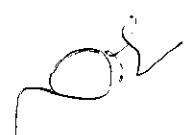
2.1 What kinds of questions that management has to pay attention to the logistics network configuration problem?

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

2.2 What are the components including in logistics network?

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

2.3 What is the main objective of logistics network configuration?



3. Inventory and ASRS systems. (25 points)

3.1 Explain the following questions; (3 points for each)

- how logistics affect to the factory inventory management?

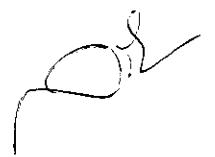
.....
.....
.....
.....
.....
.....
.....
.....

- what is the ASRS system and how can it solve the factory inventory management?

.....
.....
.....
.....
.....
.....
.....
.....

- what are push and pull inventory systems? Give some examples of each.

.....
.....
.....
.....
.....
.....
.....
.....



3.2 From Table 1, there are 12 items to storage. If the factory applies the A-B-C classification system to the inventory management, which items should be classified to class A, B, or C? Show your method to classify these items. (6 points)

Table 1

Item	Usage	Unit Cost
1	100	\$30
2	100	10
3	1900	100
4	500	100
5	2500	100
6	100	10
7	100	10
8	1000	100
9	3000	10
10	9000	2
11	500	200
12	400	100

3.3 A local distributor for a national tire company expects to sell approximately 9,600 steel-belted radial tires of a certain size and tread design next year. Annual carrying cost is \$16 per tire, and ordering cost is \$75. The distributor operates 288 days a year.

- What is the EOQ? (4 points)
 - How many times per year does the store reorder? (2 points)
 - What is the length of an order cycle? (2 points)
 - What is the total annual cost if the EOQ is ordered? (2 points)

8

4. Location Planning. (20 points)

4.1 Briefly describe each of these techniques that are used to evaluate location decisions:

Cost-profit-volume analysis (2 points)

.....
.....
.....
.....
.....

Transportation method (2 points)

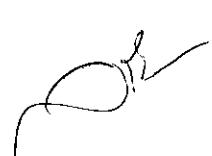
.....
.....
.....
.....
.....

Factor rating (2 points)

.....
.....
.....
.....
.....

Center of gravity method (2 points)

.....
.....
.....
.....
.....



4.2 A farm implements dealer is seeking a fourth warehouse location to complement three existing warehouses. There are three potential locations: Charlotte, Atlanta, and Columbia. Charlotte would involve a fixed cost of \$4,000 per month and a variable cost of \$4 per unit; Atlanta would involve a fixed cost of \$3,500 per month and a variable cost of \$5 per unit; and Columbia would involve a fixed cost of \$5,000 per month and a variable cost of \$6 per unit. Use of the Charlotte location would increase system transportation cost by \$19,000 per month, Atlanta by \$22,000 per month, and Columbia by \$18,000 per month. Which location would result in the lowest total cost to handle 800 units per month? (6 points)

4.3 From Table 2, Fill Max or Min in front of each factor, and determine which location has the highest factor rating? (6 points)

Table 2

Factor	Weight	Location		
		A	B	
..... Labor cost	.50	20	40	
..... Material cost	.30	10	30	
..... Supplier service base	.20	50	10	
Total	1.00			

.....
.....
.....
.....

✓

5. Transportation and Material Handling Systems (20 points)

- 5.1 How many types of basic transportation modes? Explain and give some examples of manufacturing that appropriate for each mode. (10 points)

11

5.2 There are 2 warehouses to distribute the products to the markets. The warehouse 1 and 2 can supply 850 and 500 units per week, respectively. There are 3 markets; A, B, and C. The demands of market A, B, and C are 400, 600, and 350 units per week, respectively. Transportation costs for warehouse 1 to market A, B, and C are \$6, \$8, and \$7 per unit, respectively; for warehouse 2 to market A, B, and C are \$10, \$6, and \$4 per unit, respectively. How can you distribute the products from the warehouses to the markets that minimize the transportation costs? And how much its transportation costs are? (10 points)

✓