

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER –IV-EXAMINATION – SUMMER-2022

Subject Code: 4549295**Date: 16-07-2022****Subject Name: Global Logistics and Supply Chain Management****Time: 10:30 AM TO 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 Definitions / terms / explanations / short questions based on concepts of theory/practical **14**

- (a) International Logistics
- (b) International Supply Chain
- (c) International Reverse Logistics
- (d) ICD's Vs CFS
- (e) TIACA
- (f) Conference shipping Vs Non-conference shipping
- (g) FCL and LCL

Q.2 (a) Bring out the difference between domestic and international logistics. **07**

- (b) "Logistics costs pose much higher penalty than the trade cost". Discuss the statement and briefly explain the reasons why logistics has emerged as an important field of study in the globalized era? **07**

OR

- (b) "Rail and Road infrastructure plays a vital role in the development of emerging country like India". In the light of this statement, Discuss the importance of Rail and Road infrastructure **07**

Q.3 (a) What are Flag States in the Shipping Industry and What's their Role? **07**

- (b) "A warehouse is an establishment for the storage or accumulation of goods". Discuss the functions of warehousing and explain what benefits do they render in India's trade and logistics operations in the light of the statement. **07**

OR

Q.3 (a) Define Intermodalism. What specific advantages does it offer to the trade supply chain system of a country? **07**

- (b) "A freight forwarder is a firm specializing in the arrangement of cargo on behalf of shippers". In the light of this statement, Explain various functions of a freight forwarder **07**

Q.4 (a) Explain the functions and objectives of packaging for products in international trade and logistics operations **07**

- (b) “There is no other better requirement for IT than the logistics”. In the light of this statement, Explain the role of information technology in logistics? 07

OR

- Q.4 (a) Explain the importance of supply chain analytics 07

- (b) “An organization’s supply chain is exposed to a variety of risks”. In the light of this statement, explain different types of supply chain risks 07

Q.5 Zara is a chain of fashion stores owned by Inditex, Spain’s largest apparel manufacturer and retailer. In 2009, Inditex reported sales of about 11 billion euros from more than 4,700 retail outlets in about 76 countries. In an industry in which customer demand is fickle, Zara has grown rapidly with a strategy to be highly responsive to changing trends with affordable prices. Whereas design-to-sales cycle times in the apparel industry have traditionally averaged more than six months, Zara has achieved cycle times of four to six weeks. This speed allows Zara to introduce new designs every week and to change 75 percent of its merchandise display every three to four weeks. Thus, Zara’s products on display match customer preferences much more closely than the competition. The result is that Zara sells most of its products at full price and has about half the markdowns in its stores compared to the competition. Zara manufactures its apparel using a combination of flexible and quick sources in Europe (mostly Portugal and Spain) and low-cost sources in Asia. This contrasts with most apparel manufacturers, who have moved most of their manufacturing to Asia. About 40 percent of the manufacturing capacity is owned by Inditex, with the rest outsourced. Products with highly uncertain demand are sourced out of Europe, whereas products that are more predictable are sourced from its Asian locations. More than 40 percent of its finished-goods purchases and most of its in-house production occur after the sales season starts. This compares with less than 20 percent production after the start of a sales season for a typical retailer. This responsiveness and the postponement of decisions until after trends are known allow Zara to reduce inventories and forecast error. Zara has also invested heavily in information technology to ensure that the latest sales data are available to drive replenishment and production decisions. In 2009, Inditex distributed to stores all over the world from eight distribution centers located in Spain. The group claimed an average delivery time of 24 hours for European stores and up to a maximum of 48 hours for stores in America or Asia from the time the order was received in the distribution center (DC) to the time it was delivered to the stores. Shipments from the DCs to stores were made several times a week. This allowed store inventory to closely match customer demand.

The following questions raise supply chain issues that are central to Zara’s strategy and success:

- (a) What advantage does Zara gain against the competition by having a very responsive supply chain? 07

- (b) Why has Inditex chosen to have both in-house manufacturing and outsourced manufacturing? Why has Inditex maintained manufacturing capacity in Europe even though manufacturing in Asia is much cheaper? 07

OR

- Q.5 (a) Why does Zara source products with uncertain demand from local manufacturers and products with predictable demand from Asian manufacturers? 07
- (b) Do you think that Zara's responsive replenishment infrastructure is better suited for online sales or retail sales? 07
