Name: **Enrolment No:**	UPES UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, Dec 2019

Course: Contract manufacturing & Outsourcing **Semester: V**
Program: BBA Core(Operations) **Time: 3 Hours**
Course code: LSCM3007 **Max. Marks: 100**

SECTION A (20 Marks)

	Attempt all of the following questions.	Marks	CO
Q 1.	Fill in the blanks		
a.	_____ is the methodology for comparing today's value of future cash flows to cost of investment.	2	CO2
b.	A competitively dominant customer experience is often called a _____	2	CO1
c.	_____ table is used to formulate the DT model of the problem.	2	CO3
d.	_____ is the process of moving some business activities to a foreign country.	2	CO2
e.	_____ criterion assumes a totally optimistic approach to decision making.	2	CO4
f.	_____ is a long term partnership and sharing of resources to operate a business jointly	2	CO2
g.	The two types of costs while analyzing break-even analysis for outsourcing are _____ and _____.	2	CO2
h.	_____ transfer-of-risk model is used for risk mitigation in outsourcing.	2	CO3
i.	_____ is an extension of PV analysis and can be used as a standalone methodology.	2	CO3
j.	LP models utilize algorithmic _____ process.	2	CO4

SECTION B (4* 5 Marks Each -20 Marks)

	Answer any four out of the five questions	Marks	
Ques.2	Why is it important to monitor an outsource provider once the agreement is in effect?	5	CO1
Ques.3	Why is the discount rate used in present value analysis?	5	CO3
Ques.4	Can the centroid method be used in an international outsource provider selection decision?	5	CO3
Ques.5	What are the various types of cooperative agreements?	5	CO4
Ques.6	What is the relationship between Hurwicz' coefficients of optimism and pessimism?	5	CO3

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<tr><td colspan="4">SECTION-C (3* 10 Marks Each- 30 Marks)</td></tr>
<tr><td></td><td>Answer all three questions</td><td>Marks</td><td></td></tr>
<tr><td>Ques.7</td><td>If the opportunity cost of capital is 12 percent and the internal rate of return is 11.5% should the O-I investment be made?</td><td>10</td><td>CO3</td></tr>
<tr><td>Ques.8</td><td>Assume there is an uncertainty decision environment. Which outsourcer is best choice based on Laplace criterion?</td><td>10</td><td>CO4</td></tr>
<tr><td>Ques.9</td><td>A manufacturer wishes to use factor rating to help select an outsourcing provider of logistics services. With weights from 1-5(5 highest) and ratings 1-100(100 highest), use the following table to help the manufacturer make his decision:
<table>
<tr><td></td><td colspan="4">Rating of logistics providers</td></tr>
<tr><td>Criterion</td><td>Weight</td><td>Overnight Shipping</td><td>Worldwide Delivery</td><td>United Freight</td></tr>
<tr><td>Quality</td><td>4</td><td>65</td><td>80</td><td>95</td></tr>
<tr><td>Delivery</td><td>2</td><td>70</td><td>90</td><td>70</td></tr>
<tr><td>Cost</td><td>5</td><td>60</td><td>75</td><td>100</td></tr>
</table></td><td>10</td><td>CO1</td></tr>
<tr><td colspan="4">SECTION-D (2* 15 Marks Each- 30 Marks)</td></tr>
<tr><td></td><td>Answer both questions</td><td>Marks</td><td></td></tr>
<tr><td>Ques. 10</td><td>What is your understanding about cross function collaboration from the case study Videojet(B)? Explain in detail.</td><td>15</td><td>CO2</td></tr>
<tr><td>Ques. 11</td><td>A client firm must allocate production between its own internal department and two outsourcers. The primary objective is to maximize profit. The total profit possible for three sources of production are $3 million, $2.7 million, and $4 million. The internal department can at maximum handle 40 percent of total production. Each outsourcer is limited at maximum of 50% of total production. There is internal department labor agreement requiring at least 15 percent of production to be handled by internal department. Formulate LP model for O-I proportional allocation problem?</td><td>15</td><td>CO4</td></tr>
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