UNIVERSITY OF AGDER

FACULTY OF BUSINESS AND LAW

E X A M

Course code: ORG 440
Course name: Supply Chain Management

Date: December 07, 2015
Duration: 09.00 – 13.00

Number of pages incl. front page: 2

Resources allowed: Students may use non-programmable calculators and
dictionaries (to/from/English/Norwegian) or
to/from/English and the students native language.

Notes: The Exam consists of sections A and B. The question in
section A must be answered. In section **B choose to
answer TWO of the THREE questions.**
Only answers in English are acceptable.

SECTION A: *(mandatory)*

1. Explain how Kraljic matrix helps purchasing professionals to design different supplier
   strategies and also discuss its major short commings? (20%)

SECTION B: *(choose to answer TWO of the THREE following questions)*

1. What are the main differences between Logistics and Supply Chain Management
   (SCM)? How does the theoretical concept of SCM, in terms of relationship between
   focal company and its "suppliers' supplier and customers' customer", differ from the
   reality of many SCMs? (20%)

2. What is meant by the 'logistics performance measurement'? What are the most
   important performance measures? Discuss the advantages and disadvantages of intra
   and inter-organizational performance measurements systems. (20%)

3.

a. The youRace company builds racing cars. In 2006, the total cost of cars sold was $3 million. Its total inventory holding changed throughout the year, but the average holding was worth $250,000. At the end of 2006, it implemented just-in-time principles to improve its inventory performance. In 2007, its sales increased and the cost of cars was $4.5 million, while the average inventory holding was $300,000. Has the performance improved? (10%)

b. The Fine Garments Company sells fashion clothing. The forecast annual demand for its premium leather jacket is $1,200. The order processing cost per order is $25, and inventory holding cost is $50 / item / year. How many leather jackets should it order in one shipment? (10%)