

**ASSESSMENT # 1****Total Marks: 30**

1. Give short answers for the following questions: (12)
  - i. Outline the main benefits of a supply chain.
  - ii. Companies in any supply chain can make their decisions individually and collectively in five areas. What are these areas?
  - iii. How is a modern supply chain different from that of the past?
  - iv. What is Inventory Management?
  - v. 'Information' is one of the five drivers of a supply chain. Discuss the purpose of information in a supply chain.
  - vi. Name various types of inventory.
  
2. "Location decisions have a strong impact on the cost and performance characteristics of a supply chain." Discuss (5)
  
3. Write short notes on the following participants in a supply chain: (5)
  - a. Producers
  - b. Distributers
  - c. Retailers

**Case Study**

(8)

PE Dairies provides a home delivery service for milk, dairy products and a range of related goods. Simon Hull has run the dairy for the past 10 years. His product is a combination of goods (the items he delivers) and services (the delivery and associated jobs he does for customers).

There are several specific problems facing PE Dairies. There is, for example, some variation in daily demand, so Simon has to carry spare stock. He cannot carry too much, as dairy products have a short life and anything not delivered quickly is thrown away. Simon aims to keep this waste down to two percent of sales. There are also problems maintaining a service during holidays, or when PE has difficulties making their deliveries.

Perhaps Simon's main concern is maintaining his sales over the long-term. Demand for doorstep deliveries is declining, as people today buy more milk at supermarkets. The number of milkmen in his area declined from ten in 1990 to three in 2007. Most of Simon's customers have been with him for many years, but he generates new custom by canvassing, delivering leaflets, special offers and a variety of other methods.

- Describe the supply chain for milk.
- Where does PE Dairies fit into this? What specific activities form the logistics in PE Dairies?
- What are the main problems that PE Dairies has with logistics?