

**MBA – ARKETING/FINANCE/HR/PRODUCTION
& OPERATIONS MANAGEMENT (MBABM)**

Term-End Examination

00204

December, 2014

MBMI-001 : ENTERPRISE RESOURCE PLANNING-I

Time : 3 hours

Maximum Marks : 100

Note :

- (i) *Section I is compulsory.*
- (ii) *In Section II, solve any five questions from Q3 – Q8.*
- (iii) *Italicized figures to the right indicate maximum marks.*

SECTION I

1. The Treofan Group, headquartered in Raunheim, Germany, develops specialist polypropylene and polylactic films. The 24 manufacturing lines in seven sites in Europe, North America and South Africa produce around 2,00,000 tonnes annually, sold in more than 90 countries. Treofan films are used in food and non-food packaging, labels and advanced technical applications.

Treofan wanted to launch a new product Polyol. One of the raw materials for this new product is Propylene Oxide. It has identified three new vendors for this raw material. Treofan carries out its business on ERP SAP.

- (a) Explain how Treofan's Purchase Manager will carry out the business process of identifying the most suitable vendor for purchasing Propylene Oxide. 10
 - (b) What are the SAP Transactions that are needed to be carried out in ERP-SAP system to execute the above business process for identifying the most appropriate vendor from whom procurement can be done ? Draw a flow diagram showing the transaction codes for each step of the business process. 10
2. Explain the complete Procurement Cycle with a suitable sketch. 10

SECTION II

3. You are the Purchase Manager for a large Forging Company. Since you handle a large number of suppliers, it is not possible for you to monitor every business transaction of your Purchase Officers. To delegate work to your Purchase Officers so that you can concentrate on key activities like Vendor Development, Collaborative partnerships with Vendors etc., you introduce Tolerances for various business transactions.
- (a) How do you think the introduction of Tolerances in business transactions will help the Purchase Manager ? 7
- (b) What do you think should be the Tolerances for Purchase Orders, Goods Receipt and Invoice Verification ? 7
4. What is ERP ? Why is ERP needed and what are the expectations and benefits from an ERP system ? How are the different industries benefitted from implemented ERP ? 2+8+4
5. Write short notes on the following : 5+5+4
- (a) Material Master
- (b) Vendor Master
- (c) Organizational Units in Materials Management

6. M'LA is a trading company which buys Industrial Tools from various manufacturers and sells to its customers who are mainly small scale manufacturing units in Bhosari. M'LA has implemented ERP SAP and its software is working very well. Recently one of its suppliers of Power tools **Bosch India** introduced a new Drill Machine in the Market. M'LA is planning to procure this Drill Machine and store it in its warehouse so that it can supply to its customers on demand.
- (a) As a Purchase Manager of M'LA, how would you go about adding this new Drill Machine as new material in your ERP SAP system ? 7
- (b) What would be your justification for selecting the Industry sector, Material Type and the various views required for the New Drill Machine in the ERP SAP system. 7
7. Explain the organizational structure of FI with suitable examples. Discuss Rules of MM. 10+4
8. LTMN is in trading business of Industrial Products. It has a large base of suppliers from whom it procures materials and sells to its customers. It has implemented ERP SAP as its business software and runs its entire business on ERP SAP. It wanted to implement Customer Order Management in its ERP SAP system.

Customer Order Management Business Cycle begins with a quotation and ends with recording final payment received from the customer. This process will include the procurement cycle as you will need to procure the items for sale.

(a) As the SAP Consultant responsible for implementing this functionality, taking the example of an Industrial Product, explain the Business Process of Customer Order Management with a Flow diagram. 7

(b) Describe the Various Master Data that would require to be created and transactions to be executed in ERP SAP system for completing the Customer Order Management Business Process. 7
