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PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester Mid Term, March 2026

Date: 13/03/2026

Time: 09:30 AM - 11:00 AM

Course Code: MBA3068

Course Name: Logistics and Distribution Management

Semester: Fourth Semester

Max. Marks: 50

Weightage: 50%

CO - Levels	CO1	CO2
Marks	29	41

Part A: Answer Following Questions. 15 M

Qn.No	Questions	M	CO	BT
1	Explain the Objectives of Logistics Management.	3	CO1	BT2
2	Describe the Role of Warehousing in Logistics	3	CO1	BT2
3	Summarize the Importance of Integrated Logistics	3	CO1	BT2
4	Demonstrate Two Components of Logistics Cost with Examples.	3	CO2	BT3
5	Illustrate the difference between concepts of Throughput and Capacity	3	CO2	BT3

Part B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
6	<p>FreshMart operates multiple warehouses and transport partners. Issues:</p> <ul style="list-style-type: none"> • High inventory duplication • Inter-warehouse transfers • Rising logistics cost • Customer complaints • Poor information flow <p>Explain how lack of coordination affects logistics performance and also summarize the integrated logistics concepts which can be used here.</p>	10	CO1	BT2

7	<p>A retail company in Bangalore named Creshmart expanded its distribution network by opening multiple warehouses in different regions. However:</p> <ul style="list-style-type: none"> · Inventory duplication increased · Inter-warehouse transfers increased · Delivery delays occurred · Customer satisfaction declined <p>Explain Logistics problems and solution for same.</p>	10	CO1	BT2
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Part C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
8	<p>A logistics company has the following data:</p> <p>Current:</p> <ul style="list-style-type: none"> • Transportation = ₹35,00,000 • Inventory = ₹18,00,000 • Warehousing = ₹12,00,000 • Service = 86% <p>Proposal:</p> <ul style="list-style-type: none"> • Faster transport → cost + ₹4,00,000 • Inventory reduction → savings ₹3,00,000 • Service improves to 95% <p>Apply the concept of service cost trade off for this and give suggestions</p>	10	CO2	BT3
9	<p>Third-party logistics (3PL) involves outsourcing logistics operations to specialized providers. Zigma is a company which provides 3PL services to companies. Illustrate this company improves logistics performance and allows businesses to focus on core activities.</p>	10	CO2	BT3

Part D: Answer Following Questions. 15 M

Qn.No	Questions	M	CO	BT
10	<p>Crain Distribution is a mid-sized retail logistics company supplying fast-moving consumer goods to retail stores across</p>	15	CO2	BT3

South India.

Business network:

- 24 warehouses
- 1,600 retail outlets
- 420 suppliers
- Annual revenue: ₹1,250 crore
- Logistics cost: 18.2% of sales (₹227.50 crore)
- Inventory turnover: 5.1 times
- Service level: 84.5%
- Dead stock: ₹30 crore
- Working capital blocked in inventory: ₹200 crore

Operational model:

- Centralized procurement
- Regional distribution centers
- Multiple transport partners
- Manual demand forecasting
- Decentralized inventory decisions

Strategic objectives:

- Improve service level
- Reduce logistics cost
- Optimize inventory
- Enhance customer satisfaction
- Strengthen supply chain integration

Crain expanded rapidly without logistics integration.

Operational issues:

1. Inventory duplication across warehouses
2. Inter-warehouse transfers (increase of 52%)
3. Stockouts at retail outlets
4. Rising transportation cost
5. Customer complaints (increase of 38%)
6. Low inventory turnover
7. Manual forecasting errors
8. High working capital requirement

Financial impact:

- Logistics cost: ₹227.50 crore
- Dead stock: ₹30 crore
- Service level: 84.5% (below industry benchmark)

- Transport cost escalation: 14% year-on-year

Customer impact:

- Delivery delays
- Product unavailability
- Reduced customer satisfaction

Management proposal:

- Faster transportation (+₹12.5 crore cost)
- Demand forecasting system
- Inventory optimization (savings ₹10 crore)
- Service level target: 95%
- 3PL logistics outsourcing

Q1 Calculate the Logistics Cost before and after proposal(5 Marks)

Q2 Illustrate the Cost-Service Trade-Off Analysis (5 Marks)

Q3 Apply the concepts of Logistics Economics & 3PL for the case (5 Marks)