

KLE Society's
Lingaraj College, Belagavi
(Autonomous)

Department of BBA

B.B.A. : V Semester

Purchase and Inventory Management
(w.e.f. 2018-19 and onwards)

Teaching hours per week – 04 :	Maximum Marks	:	100 Marks
	Semester End Examination	:	70 Marks
	Internal Assessment	:	30 Marks

Course Outcome:

At the end of this course students will be able to:

1. Demonstrate the concept of Purchasing, Contract and Distinguish the concepts of Centralized and Decentralized Purchasing, Procurement and Purchasing.
2. State the Significance of Strategic Sourcing, Supplier Evaluation, Supplier Selection, Standards and Certifications required by Suppliers.
3. Definition and Meaning of Right Price, Forecasting, Budgeting and Understanding the Importance of Cost Reduction.
4. Outline the Dimensions of Material Management and state the Significance, Functions, Roles of Material Management.
5. Explain the Importance of Inventory and its control process.

Syllabus

UNITS	Syllabus	HOURS
Unit I	Purchasing : Purchasing objectives - Purchasing Responsibilities - Purchasing process - Purchasing Management Process - Quotation and Purchase order - Types of purchase order(PO) - Contract - Advantages and Disadvantages - Contents of Contract - Purchasing Organization Structure - Advantages and disadvantages of Centralization and decentralization - Procurement and E-Procurement – Value chain of E-Procurement - Difference between procurement and purchasing - Buyer profiles and division of responsibilities. Based on Van Weele	14
Unit II	Strategic Sourcing - Strategic sourcing process - The Kraljic Matrix- (Case Study) - Supplier Evaluation - Selection-Key factors for supplier selection - Standards for supplier selection - Standards and certification - Quality Characteristics - Supplier Quality Management, Rating measurement criteria	13
Unit III	Meaning of Right Price – Price Analysis - Determination of Right Price – Influencing Factors on Pricing - Classification of Pricing - Price Forecasting - Right Place – Purchase Budgets - Budgetary control - Need Identification Problems - Definition of lead time Elements- Cost Reduction and Lead time	7

Unit IV	Material Management – Nature, Objectives - Significance of material management – Key function of material management- Material classification - Role of Material Management - Material handling principles - Materials and Profitability & Profit Center Concept - Definition of Material Planning - Bill of Material – Material Requirement Planning - Importance of Material Research, Definition Unitizing, packaging and shipping - Inventory: Importance, Types, Functions and characteristics - Reasons for holding inventories	12
Unit V	Inventory costs and its relevance for decision making - Inventory policies and control - Push Pull inventory methods - Risk pooling - Inventory management process - Inventory control system - Performance measurement in inventory management.	8

REFERENCE BOOKS:

1. Gopalakrishnan P. – Purchasing and Materials management – Tata McGraw Hill – 23rd Edition – 2008.
2. Purchasing and Materials Management – S Chand & Company Ltd. – K C Jain and Jeet Patidar – 2011
3. Logistics and Supply Chain Management – Himalaya Publishing House – K. Shridhara Bhat – 2011
4. Essentials of Supply Chain Management – Jaico Publishing House – Dr. R. P. Mohanty and Dr. S.G. Deshmukh
5. Supply Chain Management: Strategy, Planning, and Operation (2nd Edition) by Sunil Chopra, Peter Meindl - 2007