BE/OM201
Take home quiz#2: Supply Chain Management
1 April 2020, 03:40-05:10 pm.

Student name: ………………………………………………….……….. **Student ID:** ……………….…………

Instructions:

1. Specify your name and student ID above.
2. It is an open book quiz and all calculating devices are permitted.
3. Type or write your answer in the space under each question.
4. Answer all of **FIVE** questions on this quiz.
5. Before submission, convert your answer sheet file to become PDF or JPEG and attach the file with your email being sent to OM201BE@gmail.com by 06:00 pm of Wednesday of 1 April 2020.
6. Late submission will be not graded.

Item 1. Are these statements True or False? (0.1 point per each)

No.	Statements	True or False
1.1	Even though a firm may have a low cost strategy, supply-chain strategy can select suppliers primarily on response or differentiation.	
1.2	The supply chain for a brewery would include raw ingredients such as hops and barley but not the manufactured goods such as bottles and cans.	
1.3	Supply chain decisions are generally strategic in nature, because purchasing is a large expense for most firms.	
1.4	Outsourcing is a form of specialization that allows the outsourcing firm to focus on its key success factors.	
1.5	With the "many suppliers" sourcing strategy, the order usually goes to the supplier that offers the highest quality.	
1.6	Vertical integration, whether forward or backward, requires the firm to become more specialized.	
1.7	A fast-food retailer that acquired a spice manufacturer would be practicing backward integration.	
1.8	Keiretsu refers to a company coalition that is part collaboration, part purchasing from many suppliers, and part vertical integration.	
1.9	Use of a diversified supply base represents one of the most common supply chain risk reduction tactics for several different supply chain risk categories.	
1.10	The new model of a tight, fast, low-inventory supply chain, operating across political and cultural boundaries, has reduced the overall level of supply chain risk.	

Item 2. Identify common occurrences that contribute to distortions of information about what is really occurring in the supply chain.

Item 3. What are the classic negotiation strategies? Briefly describe each of them.

Item 4. Consider a firm with an annual net income of $20 million, revenue of $60 million and cost of goods sold of $25 million. If the balance sheet amounts show $2 million of inventory and $500,000 of property, plant & equipment,

(4.1) what is the inventory turnover?

(4.2) what is percentage invested in inventory?

Show your calculation in details

Item 5. Read the case and answer the question below

In 2015, Toyota launched a new Corolla in Japan that held a shock for its closely knit Japanese supplier network: a cutting-edge crash prevention system made by a German parts maker. Toyota used to rely on Denso Corp., a major parts maker and key member of its traditional "Keiretsu" network. The decision to go outside its traditional network highlighted a growing concern within Japan's auto industry: Parts suppliers, once considered the foundation of the country's auto export prowess, were losing their edge, especially in next-generation software technologies for safety and autonomous driving.

What is your opinion on the decision of Toyota to dismantle the Keiretsu strategy?
