

Uva Wellassa University

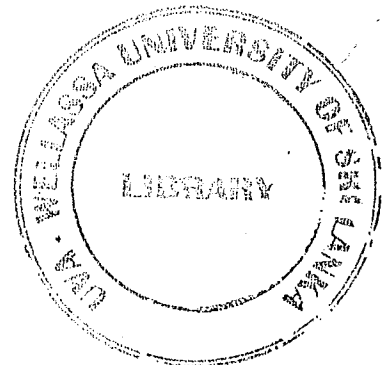
Faculty of Management

Degree of Bachelor of Business Management (BBM) in Hospitality, Tourism and

Events Management

THIRD YEAR SECOND SEMESTER EXAMINATION – DECEMBER/ JANUARY 2017

HTE 324-2 Material Management in Tourism



Section B

1.

- a. Write short notes on any three (03) of the following.
- i. Methods of evaluating inventory.
 - ii. Demand management techniques in tourism and hospitality products and services.
 - iii. JIT method and competitive advantages.
 - iv. Capacity planning Vs. Capacity requirement planning.
- (03 Marks × 03 = 09 Marks)

- b. Assuming that the annual cost of goods sold is Rs.100,000.00 and the average inventory is Rs.80,000.00, calculate the inventory turnover ratio of Rex Hotel (Pvt) Ltd. and comment on your answer.
- (06 Marks)

- c. "Functional specifications" are concerned with the end use of the item and what the item is expected to do.

Discuss different types of functional specifications that can be used for purchasing of materials in the tourism and hospitality industry. Your answer should be elaborated with sufficient examples.

(15 Marks)

(Total Marks 30)

2.

- a. Briefly describe four (04) advantage of Material Requirement Planning.
- (04 Marks)

- b. What is meant by Economic Order Quantity (EOQ)?

(03 Marks)

c. Sigera Super (Pvt) Ltd. is engaging in production and delivery of bed linen for the hotels around Sri Lanka. It purchases cotton threads from DEL Ltd. an external supplier. DEL Ltd. takes 10 days in manufacturing and delivering an order. Sigera Super (Pvt) Ltd. requires 10,000 units of cotton yarns. Its ordering cost is Rs. 2,000.00 per order and its carrying costs are Rs. 250.00 per unit per year. The maximum usage per day could be 50 per day. Calculate economic order quantity, reorder level and safety stock of cotton yarns.

(10 Marks)

d. Delivery of cotton yarns to Sigera Super (Pvt) Ltd. from DEL Ltd. is in transit for 10 days. If the annual demand is 5200 units of cotton yarns, what is the average annual inventory in transit?

(03 Marks)

(Total Marks 20)

3. **Obtaining the right material, in the right quantities, with the right delivery (time and place), from the right source, and at the right price are all purchasing functions.**

a. As the procurement manager of a five star city hotel, advice your staff on key points to remember when purchasing vegetables, meats and poultry from suppliers.

(10 Marks)

b. Propose the most appropriate procurement cycle for your hotel considering different types of materials to be purchased.

(10 Marks)

(Total Marks 20)

4. **At Micro Level logistic plays a critical role in the value delivery system of business organization to provide superior customer service.**

Do you agree with the above statement? Discuss your answer giving sufficient examples from tourism and hospitality industry.

(20 Marks)

(Total Marks 20)

