

Annual demand=2400 units, Cost of storage=24% of the unit cost, Ordering cost=Rs.100 per order.

O.R

- (a) Write short note: ABC Analysis. (07)
- (b) Explain classification of Inventory Models and explain any one Model in detail. (10)

SECTION-2

Que.3

- (a) Write short note: EVPI (08)
- (b) Determine the best act for the following pay-off matrix by applying: (10)
1. Maxi-Min principle 2. Laplace principle 3. Horwich's principle ($\alpha = 0.4$) 4. EMV principle and find value of EVPI.

Event	Strategy				Probability
	A	B	C	D	
1	5	-1	8	9	0.25
2	1	7	4	6	0.25
3	-4	8	3	-2	0.25
4	4	2	5	6	0.25

O.R

- (a) What is mean by Decision Tree? How it is useful in Management for taking decision? (08)
- (b) The cost of an item is Rs.10 and its selling price is Rs.15. The unsold item can be returned at Rs. 8 at the end of a day. The probability distribution of daily demand is as follows: (10)

Demand	0	1	2	3	4
Probability	0.15	0.20	0.35	0.25	0.05

Decide how many units of an item should be kept daily.

Que.4

- Discuss benefits of T.Q.M in Business and which are the main principles of T.Q.M ? (17)

O.R

- Discuss Deming's 14 points of Quality Management. (17)