

# AFF- STORES QUESTION BANK

Q No. 1 Answer briefly any five of the following:-

- A) What are the advantages of standardisation ?
- B) What is the role of value analysis in Material Management?
- C) What is the difference between a limited tender and a special Limited tender?
- D) How Rails & P. Way items are condemned in the Rlys ?
- E) What is the difference between a Tender committee and a Survey committee ?
- F) What will happen if all items needed in Rlys. are made as stock items ?

Q No. 2 Describe various methods of Inventory control in Indian Rlys.

Q No. 3 Explain how a little saving in inventory may effect profitability of the organisation significantly & why? Give suitable example.

Q No. 4 (a) List various sources of scrap mobilisation. (b) How overage & underage wagons are condemned ?

Q No . 5 Write short notes on the following :

- (a) Pareto law of Mal-distribution
- (b) Turnover Ratio
- (c) Computerization in store applications
- (d) Service level
- (e) Fixation of Reserve price
- (f) EOQ Model

Q No. 6 What is the difference between EMD and SD ?

Q. No. 7 Describe imprest stores ?

Q. No. 8 While describing an item for example, " Soap toilet ordinary" is written instead of "Ordinary toilet soap". Give reasons for your answer.

Q No. 9. Describe ABC and VED analysis .

Q.10. Write short notes :

- A) Global tenders
- B) Confirmed and irrevocable Letter of Credit

Q.11. Differentiate between:

- A) FOB and FAS  
B) Bill of Lading and Bill of entry  
C) Bankers buying and selling rates  
D) Wharfage and demurrage

Q.12 Expand the following

- (a) DGFT  
(b) FERA  
(c) MMTC  
(d) DGS&D

Q. 13 Describe different types of supply tenders.

Q.14 Describe briefly different types of supply contracts ?

Q.15 Under what circumstances we can invite single tender ?

Q.16 What are the functions of materials Management department on Railways ?

Q.17 Describe the scheme of material codification on Railways.

Q.18 What is the difference between ordinary stores & emergency stores ?

Q.19 Why do we provide buffer stock ?

Q. 20 Enlist different agencies of procurement?

Q. 21 Write a short note on valuation of returned Stores.

Q.22 Enlist any three INCO terms (full form)

Q.23 What is letter of credit & how it is opened ?

Q.24 What is a PAC ?

Q.25 Explain Turnover Ratio? Calculate turnover ratio based on following data -  
Stock value as on 01.10.10- Rs. 20 Cr  
Current total issues from 01.04.10 to 30.09.10- Rs. 100 Cr

Q.26 What is Economic Order Quantity (EOQ) ? Explain with the help of diagram.

Q.27 Write full form of following abbreviation:-

- (a) FOB (b) CIF (c) FOR (d) FAS (e) RLO (f) CRS

## Part- I

**Please tick the most appropriate choice:**

Q.1. Imports made by Railways attract following taxes/duties:

- A) Customs duty
- B) Sale Tax
- C) Customs duty + Sales tax
- D) Excise duty + Customs duty

Q.2. For clearing the Cargo through customs Dept., importer has to submit a document called:

- A) Import Manifest
- B) Import Application
- C) Bill of Entry
- D) Airway Bill

Q.3. Indian agent is paid in Indian rupees, which are worked out based on the exchange rate:

- A) Bank's selling Rate- Bill
- B) Bank's selling Rate- TT
- C) Bank's Buying Rate- Bill
- D) Bank's Buying Rate- TT

Q.4. For importing an item, Zonal Railway/Production Unit obtains the foreign exchange from :

- A) Open Market
- B) Railway Board
- C) Reserve Bank of India
- D) Ministry of Finance

Q.5. In confirmed and irrevocable letter of credit, there is definite undertaking by:

- A) Issuing bank only
- B) Confirming bank only
- C) Confirming bank as well as issuing bank
- D) Issuing Bank, advising bank and confirming bank

Q.7. In FOB contract, the seller bears all the charges until the cargo:

- A) Is delivered to the agent of shipping company
- B) Passes over the railing of ship
- C) Is loaded and stacked on the vessel



## Part- II

1. For best Inventory performance results we must combine ABC analysis & VED analysis. Our first focus should be on

- A. Vital & A items
- B. Vital & C items
- C. Desirable & A items
- D. Desirable & C items

2. The value of Stores Purchases on Indian Railways in the year 2007-08 were of the order of

- A. Rs. 1,000 Crores
- B. Rs. 2,500 Crores
- C. Rs. 1,600 Crores
- D. Rs. 22,000 Crores

3. Function of an item remaining constant, if the cost decreases, its value will

- A. increase
- B. decrease
- C. remains constant
- D. may increase or decrease

4. In order to avoid any contingency, stock at reorder level has to be ...

- A. More than lead time requirement.
- B. Less than lead time requirement.
- C. Equal to lead time requirement.
- D. Does not have any relation

5. Stores Directorate in Rly Board is under

- A. Member ( Mech )
- B. Member ( Elect )
- C. Member ( Staff )
- D. Financial Commissioner

6. Economic order quantity (EOQ) is determined by optimising between

- A. Demand and Supply
- B. Ordering cost and Carrying cost
- C. Budgets and Service level
- D. User and Accounts department

7. Forecasting accuracy increases if the planning period is

- A. Shorter
- B. Longer
- C. Zero
- D. Infinity

8. Ambiguity in Description and specification of material will have the following effect on Lead Time

- A. It will decrease
- B. It will increase
- C. It will remain same
- D. None of the above

9. Why is the ABC analysis important

- A. for improving service level
- B. for improving financial performance
- C. to improve the profits
- D. none of the above.

10. For the stores declared surplus by a depot , any returned stores are

- A. not to be accepted.
- B. to be sent to any other depot where they are required.
- C. are to be accepted but credit is given only for scrap value.
- D. a high level committee is to be set up for taking a decision.

11. In Indian Railways open tender is adopted when purchase value is more than Rs.

- A. 3 lakhs
- B. 2 lakhs
- C. 5 lakhs
- D. 10 lakhs

12. Indian Railway stores code is in how many Volumes ?

- A. 2
- B. 3
- C. 4
- D. 5

13. The pre-check of the purchase order by accounts department is necessary if the value is More than

- A. Rs. 20,000/-
- B. Rs. 50,000/-
- C. Rs. 4,00,000/-
- D. Rs. 100,000/-

14. Special limited tender is one where

- A. Number of firms is just one

B. Purchase value is high but Limited tender is issued

C. Purchase must be restricted from few firms

D. Tender is issued by Registered post

15. Which one of the following system of codification is followed by Indian Railway for codification of store items?

A. Fully significant coding system

B. Semi significant coding system

C. Non significant coding system

D. Color codification coding system

16. In Indian Railways the case is to be dealt by tender committee, when it is a case of

A. Open tender

B. Limited tender

C. Bulletin tender

D. High value tender

17. When the firms are selected and tender enquiry is sent to them, it is a case of

A. Open tender

B. Limited tender

C. Bulletin tender

D. Global tender

18. In Indian Railways the case is to be dealt by tender committee when the purchase value is more than Rs.

A. 3 lakhs

B. 2 lakhs

C. 5 lakhs

D. 10 lakhs

19. In Indian Railways 'A' category items represent what percentage of total consumption value?

a) 50 %

b) 90%

c) 65%

d) 70%

20. Out of following situations the purchase power of COS is highest when it is a case of

A. Single tender purchase in Emergency

B. Single tender purchase without PAC

C. Single tender purchase with PAC powers

D. In all above situations COS has same

21. PL No. of an item is 11360010. This item may be an item of

- A) Stationery  
B) Steam Locomotive  
C) Electrical item  
D) Diesel Locomotive

22. EOQ is the Quantity at which –

- A) Inventory carrying cost is maximum  
B) Warehousing cost is minimum  
C) Inventory carrying cost + ordering cost is maximum  
D) Inventory carrying cost + ordering cost is minimum

23. In a Rate Contract –

- A) Qty. is not specified  
B) Delivery period is not specified  
C) Rough estimate of Qty. is given  
D) Qty. to be supplied is fixed

24 Check digit in a PL No. for a item appearing at SL.No. 181 in sub group 02 in Main Group 00 will be –

- A) 8  
B) 5  
C) 3  
D) 7

25. System of Recoupment to be followed for recouping Emergency stores is –

- A) Maxima- Minima  
B) Periodic review  
C) Base stock  
D) Combination of (A) & (B)

26. Tenders are to be invited for purchasing 12000 nos. of Chokes approx. rate of which is Rs. 90/- each. In this case we will normally invite -

- A) Open tender  
B) Limited tender  
C) Single tender  
D) No tender

27. In a PL No. the subgroup to which the item belongs to is represented by –

- A) First two digits  
B) 3rd and 4th digits  
C) 5th and 6th digits  
D) 2nd and 3rd digits

28. Total No. of stores depots on Indian Railway are approx.-



- A) 120                      B) 20                      C) 220                      D) 320

29. At the time of review, it is revealed that an item is not issued to any user for past 26 months but the item is likely to be issued in next 22 months. This item will be classified as –

- A) Dead Surplus                      C) Custody stores  
B) Movable surplus                      D) Imprest stores

30. In ABC analysis of items "A" category items represent

- A) Low consumption value items                      B) Important items  
C) High Annual consumption value items                      D) High rate items

31. Buffer stock limit depends on –

- A) ABC classification of the item                      B) VED classification of the item  
C) Combination of (A) & (B)                      D) Stock and Non-stock classification of the items

32. Buffer stock is provided –

- A) To meet unforeseen requirement                      B) To supply items to other users  
C) To make good shortfall due to theft, deterioration                      D) To have items out of stock

33. Stock of an item with a Section Engineer on 1-1-10 is 500 nos. sanctioned imprest of this item is 1500 nos. Quantity of the item to be recouped by him will be equal to

- A) 500 nos.                      B) 1500 nos  
C) 1000 nos                      D) 2000 nos

34. In a VED analysis "V" stands for –

- A) Vague items                      B) Very costly items  
C) Vital item                      D) Variety of items

35. Indication of value in the demand is necessary

- A) for posting in liability register / fund register  
B) for knowing the appropriate approving authority

C) for the payment to the supplier

D) combination of (A) & (B)

36. Item not required for the purpose for which it was originally purchased is known as –

A) Inactive item

B) Scrap item

C) Over stock item

D) Emergent stock item

37. For an item having annual consumption equal to 600 nos. maxima and minima are respectively equal to 12 and 8 months consumption. Physical stock of this item on different dates was as under :

1.1.10 ----- 500 ;      1.2.10 ---- 450 ;      1.3.10 -----400 ;      1.4.10 ---- 300 ;

This item should have been recouped on

A) 1.1.10

B) 1.2.10

C) 1.3.10

D) 1.4.10

38 An item having regular turnover caused by constant demand will be known as –

A) Ordinary Stock Item

B) Emergency stock item

C) Regular item

D) Non- stock item

39. Inactive items are those stock items, stock of which

A) is unserviceable

B) more than 3 months old

C) has not been issued to any user for past 12 months

D) is more than the requirement of next 24 months

40. Principal Head of Stores Department on a Zonal Railway is –

A) Chief Materials manager

B) Chief Controller of Stores

C) Controller of Stores

D) Chief Controller of Stores and Purchases

41. Representatives of the tenders are allowed to be present at the time of opening of -----

A) Single tender;

C) Open tender only;

B) Bulletin; D) Open or special limited tender

42. Processing of a tender case after the opening of tenders depends on –

- A) Estimated value of purchase B) Value of the case as per highest offer  
C) Value of the case as per lowest offer D) None of the above

43. Value of an offer @ Rs. 100/- each plus ED @ 20% & ST @ 5% in a purchase case for 2000 nos. Rubber hose- pipe will be

- A) Rs. 2,52,000/- C) Rs. 25,000/-  
B) Rs. 2,50,000/- D) None of the above

44. An offer received from the firm to whom no inquiry was sent is known as –

- A) Single offer; C) Delayed offer;  
B) Unsolicited offer; D) Unapproved offer

45. Only one offer received in respect to Limited/ Open tender is known as –

- A) Single tender; C) PAC offer;  
B) Single offer; D) Late offer

46. Criteria for eligibility of uniforms can be revised by –

- A) PHOD of the departments C) Railway Board  
B) GM of the railways D) None of these

47. Style of an uniform would indicate

- A) Quality of cloth C) (A) & (B) above  
B) Design and colour D) None of the above

48. Proprietary Article certificate is to be issued for the item required to be purchased from -

- A) Single firm only C) RDSO approved firms only  
B) Approved firms only D) None of the above

49. Items not required by the user can be returned on



B) A- D Items

D) C-D Items.

56. Materials not required are returned to the nominated stores depot as per stores code para number

(a) S - 1539

(b) DS-8

(c) NS-11

(d) SS-11

57. Survey committee is appointed by the General Manager as a standing committee consisting of

(a) Stores officer, Account officer, Electrical officer

(b) Stores officer, Account officer, Mechanical officer

(c) Stores officer, Account officer, S&T officer

(d) None of the above

58. Disposal of scrap may be done by

(a) Auction

(b) Sale by tender

(c) Sale to other Govt. department and undertaking

(d) All above.

59. Custody stores are the stores –

(a) Which are kept under the custody of indenter

(b) These are charged off stores but kept under the custody of stores depot awaiting future use.

(c) Custody stores are non stock items which are surplus with the user

(d) Custody stores are imprest stock items

60. Standardisation helps in

(a) Easy maintenance of equipment by suitable replacement

(b) It is easy for the supplier to manufacture the item with suitable technology

(c) Scale of economy can be achieved

(d) All of them as above

61. PL No. of an item is 98-05-0400. This item may be an item of

- (a) Uniforms      (b) Stationery      (c) Steam Locomotive      (d) Scrap

### **Indicate true or false-**

- 1 In FAS contract, the export clearance of the goods is done by the seller.
2. In FOB contract, the obligation of the seller is fulfilled when the goods passes ships Rail.
3. CIF terms is reserved for sea and inland waterways.
4. Loco wheels are imported items for India Railways.
5. In import shipments, the insurance of the Materials the arrange by Life Insurance of India.
6. Procurement includes purchasing but purchasing is not simple buying.
7. Negotiations is not a must in purchasing.
8. More is the inventory, more is the inventory carrying cost.
9. Less is the inventory, less is purchasing cost.
10. 100 % service level for all the items requires blockage of enormous capital.
11. Railway use significant method of coding for material description.
12. Stock items can be planned well in advance
13. Non stock items cannot be planned
14. Some non stock items can be planned
15. Planning is possible only for M&P items
16. For recoupment of emergency items Maxima / Minima method is adopted.
17. At EOQ point total cost of material is maximum.
18. Buffer stocks are provided to cater for fluctuations in lead-time but not fluctuations in consumption pattern.

19. In case of a rate contract rate is fixed but quantity is only approximate without specific commitment.

20. In running contract qty. is fixed but rate is not fixed.

21. Rlys. bulk requirements of POL items, steel and Rlys. specific paints are processed by DGS&D.

### **Fill in the blanks –**

1. For indenting and issue of imprest items, form ---- is mentioned in the stores code.

2. Form --- of stores code is the form of combined requisition and issue note.

3. Form S1302 of stores code describes ---- .

4. Consignee code is in ---- digits including check digit.

5. ----- digits are used to identify a vendor.

6. Unit code is in --- digits.

7. Lead time is the time from --- to ----- .

8. Form ---- is prescribed to be used for returned stores.

9. Turning and boring in the workshops is an example of ---

10. Public auction is the most popular method of disposal of scrap because -----  
-----.

11. Difference between inactive stores and surplus stores is -----  
-----.

12. ----- % and ---- % of total cumulative annual usage value of stock items goes for ----- and ---  
- category of items .

13. While studying ABC and VED category of items, tight and critical scrutiny of demands is required while calculating requirements of ----- and --- category of items.

14. In case of imports contracts agency commission to Indian agent is paid in Indian rupees based on ----- rate.

15. Incoterms stands for ----- .