

Ans 2) Material Management is defined as the co-ordination function responsible to plan for ~~acquiring~~ acquiring, storing, moving and control material and final product to optimize usage of facilities, personal capital funds and to provide customer services in line with corporate goals.

## # Importance of Material mgmt

- ① According to reports material cost is about 60 to 70% of the total cost of production.
- ② Indirect cost and the cost of materials movement are well within control.
- ③ Loss of time of direct labour is minimized.
- ④ Material planning and programming are required in material management.

## Advantages of fixed position layout

- ① material movement is reduced
- ② Capital investment is minimized
- ③ The task is usually done by gang of operators; hence continuity of operation is ensured.
- ④ Production centers are independent of each other. Hence, effective planning and loading can be made. Thus total production cost will be reduced.
- ⑤ It offers greater flexibility and allow change in product design, product mix and production volume.