6. Enterprise Resource Planning (ERP)

Q.1 Fill in the blanks.

1. "An ……….... is a group of people and other resources working together for a common goal".
Ans: Entreprise

2. Different types of resources in an enterprise are men, ………….., money and machine.
Ans: Material

3. The …………….. module can collect financial data from various functional departments and generate valuable financial reports.
Ans: Financial

4. A ………………….is a source of an organization's electronically stored data.
Ans: Data Warehouse

Q.2 State True or False.

1. Planning helps to improve future performance of an organisation.
Ans: True

2. MIS is implemented by a company to handle its contact with its customers
Ans: False

3. To run an ERP system, trained and experienced employees are needed.
Ans: True

4. Better decision from an enterprise will help them to go a step ahead of its competitors.
Ans: True

Q.3 Match the following. Group 'A' Group 'B'

'A'	'B'
1. Trained Staff	(a) ERP Package
2. Information integrity	(b) Problem in ERP Implementation
3. Odoo	(c) ERP Technology

4. MIS	(d) Benefits of ERP

'A'	Ans:
1. Trained Staff	(b) Problem in ERP Implementation
2. Information integrity	(d) Benefits of ERP
3. Odoo	(a) ERP Package
4. MIS	(c) ERP Technology

Q.4. Write short answers.
1. Give any four benefits of ERP system.
Ans: Some Benefits of ERP system is as follows:
(i) Improved resource utilization: An enterprise can plan and manage its resources effectively by installing ERP software. So the wastage or loss of all types of resources can be reduced, and improved resource utilization can be ensured
(ii) Better customer satisfaction: Customer satisfaction means meeting maximum customers' requirements for a product or service. Using an ERP system, a customer will get more attention and service of an enterprise without spending more money and time.
(iii) Increased flexibility : An ERP system allows organizations to be more flexible so that they can more easily adapt and capitalize on new business opportunities
(iv) Decision making capability: Accurate and relevant information given to decision makers will help them to take better decisions for running a system more smoothly. Better decision from an enterprise will help them to go a step ahead of its competitors.

2. List down different modules of ERP system.
Ans: (i) Financial Module: This module is the core of many ERP software packages. It can collect financial data from various functional departments and generate valuable financial reports. Financial reports include balance sheets, general ledger, trial balance, financial statements, etc. This module also includes financial accounting, investment management, enterprise controlling and treasury
(ii) Manufacturing Module: Manufacturing module contains necessary business rules to manage the entire production process. This module of ERP enables an enterprise to combine technology and business processes to get integrated solutions.
(iii) Production Planning Module: This module is used for optimising the utilisation of available resources and helps the organisation to plan their production. This module identifies the materials required, allocates optimal resources using data and sales forecasting with the sales data.
(iv) HR Module: HR stands for Human Resource. HR module maintains an updated and complete employee database including personal information, salary details, attendance,

performance, promotion, etc. of all employees in an enterprise.

(v) Inventory Control Module: This module covers processes of maintaining the appropriate level of stock in the warehouse. It is responsible for identifying the inventory requirements and setting the target of the stock items required.

(vi) Purchasing Module: Purchase Module helps for generating purchase order evaluating the supplier, and billing. It is closely connected with the inventory, finance and production planning module.

(vii) Marketing Module: Marketing module is used for monitoring and tracking customer orders, increasing customer satisfaction and for eliminating credit risks.

(viii) Sales and Distribution Module: This module helps for tracking enquiries, order placement, order scheduling, dispatching and invoicing. This module is closely integrated with the e-commerce website of the organization.

(ix) Quality Management Module: This module is used for managing the quality of the product. The quality management module fulfills the following functions-Quality planning, Quality inspection and Quality control.

3. Describe any 2 problem areas in ERP implementation.

Ans: **(i) High cost:** The cost of ERP software configuration and implementation is very high. The high price of the package, associated license fees and other charges are the main problems of ERP installation

(ii) Requirement of additional trained staff: To run an ERP system, trained and experienced employees are to be appointed in the enterprise. The correct selection of an ERP package alone cannot guarantee the success of an enterprise. In addition, the contribution of skilled and trained persons in using ERP system is very important.