



STRATHMORE UNIVERSITY BUSINESS SCHOOL
BACHELOR OF SCIENCE IN SUPPLY CHAIN & OPERATIONS MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 1104: SUPPLY CHAIN MANAGEMENT OVERVIEW

Date: Monday, 31st July 2023

Time: 2 Hours

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

QUESTION ONE **(TOTAL 30 MARKS)**

Case Study - Dashboard assembly shortage

M/S InchChem Manufacturers (ICM) located in Ruai, Eastern Bypass, Nairobi, manufactures various types of industrial chemicals. It has distributors located at various places across the country. M/S Patson Limited is a major supplier of raw materials to M/S ICM. M/S ICM is facing problems with M/S Patson, their supplier, because of late deliveries and delivery of wrong orders giving reasons that they had not received the orders or received the orders late. Historically, M/S ICM has dealt with its supplier problems by simply changing its suppliers.

M/S Patson hold a large inventory to meet the demands of its customers, but some of the vital items of inventory has to be imported. The lead time for this is around 3 weeks. Now when M/S ICM places the orders for these vital items of inventory, M/S Patson is not able to meet the order immediately due to stock outs. Therefore, M/S ICM feels that M/S Patson lets it down due to which production schedules of M/S ICM are totally disturbed. The customers of M/S ICM are dissatisfied.

Read the case study above and respond to the following questions.

- a) Explain the type of relationship that M/S InchChem Manufacturers should have with M/S Patson Limited and why? **(4 Marks)**
- b) Discuss **THREE** supply chain problems faced by M/S ICM citing how it is affecting the supply chain performance. **(6 Marks)**
- c) Propose **THREE** ways M/S ICM can improve its supply chain performance. **(6 Marks)**
- d) Because of the customer complaints, you as the Head of procurement, has been summoned by the Board of Directors of M/S InchChem. As part of your presentation, justify the contribution of procurement to the overall corporate strategy. Use **FOUR** points. **(8 Marks)**
- e) Explain the reason why M/S InchChem's finished goods inventory costs tend to decrease as the firm changes from a Make-To-Plan (MTP) to Assemble-To-Order (ATO) strategy.

(6 Marks)

QUESTION TWO **(TOTAL 20 MARKS)**

- a) Explain the following concepts as used in Supply Chain Management.
 - i. Achieving strategic fit
 - ii. Network Tiering

- iii. Total cost of ownership
- iv. Mass Customization **(8 Marks)**
- b) As a procuring entity looking into the purchase of multi-functional photocopiers for internal use by staff, discuss **THREE** factors to be considered in your supplier selection. **(6 Marks)**
- c) Outsourcing is becoming increasingly popular, particularly because of the Covid-19 pandemic and the need to reduce staff or make your business more efficient. Discuss **THREE** of disadvantages of outsourcing. **(6 Marks)**

QUESTION THREE **(TOTAL 20 MARKS)**

- a) ABC Stationery Limited produces pencils. Identify **TWO** upstream and **TWO** downstream members of its supply chain. **(4 Marks)**
- b) Elaborate how the modern view of “procurement” as a strategic activity differs from the more conventional view of “purchasing”. **(6 Marks)**
- c) The main goal of a business negotiation is to arrive at a win-win situation, meaning all sides will benefit from the contract signed in the end. Using a practical example, explain the stages of a negotiation process. **(10 Marks)**

QUESTION FOUR **(TOTAL 20 MARKS)**

- a) Discuss **THREE** emerging issues in the field of supply chain management. **(6 Marks)**
- b) Explain **THREE** reasons why companies should invest in sophisticated software that used available data to help make crucial supply chain network design decisions. **(6 Marks)**
- c) Sourcing overseas refers to buying materials, products or services from manufacturers and suppliers that are located outside of your home country. Examine **FOUR** drawbacks for sourcing from overseas. **(8 Marks)**

QUESTION FIVE **(TOTAL 20 MARKS)**

- a) Performance measurement is the process used to assess the efficiency and effectiveness of projects, programs and initiatives. Outline **FOUR** sources of data for the production of performance measurements in supply chain management. **(4 Marks)**
- b) Using an example, explain the term “Bullwhip Effect” as used in supply chain management citing some of its impact on supply chain performance. **(6 Marks)**
- c) Effective vehicle routing and scheduling should be done so that operations run as smoothly and efficiently as possible. Evaluate the **FIVE** factors a transport manager should consider when routing and scheduling delivery of finished goods to the customer **(10 Marks)**

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