



**STRATHMORE UNIVERSITY BUSINESS SCHOOL**  
**BACHELOR OF SCIENCE IN SUPPLY CHAIN & OPERATIONS MANAGEMENT**  
**END OF SEMESTER EXAMINATION**  
**BSCM 2201: WAREHOUSING AND INVENTORY MANAGEMENT**

**DATE:** Thursday, 9<sup>th</sup> September 2021

**Time:** [8:00] 2 hours

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**Instructions**

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

**QUESTION ONE**

- a) You have recently been appointed as the warehousing and inventory manager for a medium size engineering company that manufactures items in small to medium volumes. You are concerned that the amount and range of items held in stock has grown significantly over the last 18 months.
    - i. Suggest four (4) reasons why the significant growth in stock may have occurred.
    - ii. Discuss three (3) ways the engineering company can prevent the growth in stock.

(10 marks)
  - b) You have been hired as an expert in matters relating to warehousing. In view of this, explain to the warehouse manager four (4) primary objectives of warehousing and inventory management.

(8 marks)
  - c) Discuss the following strategies used in warehousing and inventory management.
    - i. Cross Docking (2 marks)
    - ii. Customer Managed Inventory (2 marks)
    - iii. Postponement or push-pull Strategy (2 marks)

(6 marks)
  - d) The design of a warehouse and the way that materials are stored can make significant difference to the cost and efficiency of warehouse operations. Describe three (3) kinds of information a warehouse manager will require when designing a warehouse.

(6 marks)
- (Total 30 marks)

**QUESTION TWO**

- a) Identify four (4) documents used for keeping records in warehousing and inventory management.

(4 marks)
- b) You have been employed as a warehouse manager in a large hardware shop in Industrial Area, Nairobi. You find that a lot of time is spend in picking orders. Propose to the pickers on three (3) principles of good order picking.

(6 marks)

- c) Explain with examples, how the use of internet can improve the efficiency and effectiveness of the warehousing and inventory management function.

(10 marks)

(Total 20 marks)

### **QUESTION THREE**

- a) Differentiate between structured coding system and sequential coding system.
- b) Explain the concept of “traceability” in your own words citing two (2) reasons why it is important in inventory management.
- c) You have been employed as a warehouse and inventory manager in a large hardware shop in Industrial Area, Nairobi. You find that all stock is being treated the same. Illustrate the supply positioning model/Kraljic Matrix you can use as an inventory categorization technique.

(4 marks)

(6 marks)

(10 marks)

(Total 20 marks)

### **QUESTION FOUR**

- a) List four (4) measures a warehouse manager would take to secure a warehouse that holds valuable electrical products.
- b) Reorder Level is one of the types of inventory replenishment systems. Calculate the Reorder Level (ROL) where the rate of demand is 200 units per week, the lead time is four (4) weeks, and the safety stock is 300 units. (Show all the workings).
- c) Inventory valuation affects the profitability of a company and its potential value. Assess five (5) commonly used methods of inventory valuation.

(4 marks)

(6 marks)

(10 marks)

(Total 20 marks)

### **QUESTION FIVE**

- a) You currently run the warehouse operations in the supply chain department for a consumer goods manufacturer which includes packaging. Describe the three (3) types of packaging you can use for your products.
- b) Health and safety within a warehouse should be an integral part of the operation and should be recognised as a priority by senior management. Discuss three (3) health and safety issues within warehousing.
- c) As a warehouse officer, your manager has given you the following objective “No more than three missed shipments per month”. Assuming that the shipments in a month are 50, what service level does the management expect from you? (Show the workings).

(6 marks)

(6 marks)

(8 marks)

(Total 20 marks)

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