



BACHELOR OF SCIENCE IN SUPPLY CHAIN & OPERATIONS MANAGEMENT

END OF SEMESTER EXAMINATION

BSCM 1104: SUPPLY CHAIN OVERVIEW MANAGEMENT

Date: Friday, 18th December 2020

Time: 2 hours

Instructions

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

QUESTION ONE

- a) With relevant examples, differentiate the following terms in supply chain management discipline.
 - i. Lean and Agile supply chain (2 marks)
 - ii. Logistics and distribution (2 marks)
 - iii. Pull and Push strategies (2 marks)
 - iv. Manufacturing and Operations (2 marks)

(8 marks)
- b) You have been hired as an expert in matters relating to Procurement. In view of this, explain to the head of procurement five (5) core objectives of his function in enhancing supply chain performance.

(10 marks)
- c) The performance evaluation of a supply chain is an important step for continuous improvement of business process. Using the five (5) steps of evaluating the supply chain performance, select one performance area and generate its performance indicator, measure, target and data collection method.

(4 marks)
- d) Kasongo, a supply chain manager at Kutoka Retail Limited, is considering outsourcing its distribution function to a third party. Assess six (6) factors that may have prompted Kasongo to make the key decision either to keep its distribution operation in house or contract out the operations to a third party.

(8 marks)

QUESTION TWO

- a) You have been hired as a supply chain expert in the transport and distribution department for Kariba Stationery Limited (KSL). Your first assignment is to reduce transport costs which have been escalating year on year. Advise your team on the costs involved in transport and distribution operation.

(4 marks)
- b) Explain the concept of "reverse logistics: in your own words citing two (2) typical instances where returned goods may be expected.

(6 marks)

- c) You are a member of a project team that has been set-up to find more storage space for a growing retailer selling non-food products (IT consumables and Office Supplies). The budget does not allow for a new, build so you will have to select from existing pre-built vacant warehouse. As the supply chain expert in the team, describe six (6) factors to consider when evaluating if a pre-built vacant warehouse is suitable for the retailer's needs. (10 marks)

QUESTION THREE

- a) Demonstrate how the contemporary view of "procurement" as a strategic activity differs from the more traditional view of "purchasing". (6 marks)
- b) List four (4) types of purchases an organisation can buy giving one (1) example of each. (4 marks)
- c) Effective vehicle routing and scheduling should be done so that operations run as smoothly and efficiently as possible. Evaluate six (6) factors a transport manager should consider when routing and scheduling delivery of finished goods to the customer. (10 marks)

QUESTION FOUR

- a) You currently run the distribution operation in supply chain department for a consumer goods manufacturer. Discuss two (2) measures you can introduce to increase storage density within the warehouse. (4 marks)
- b) Explain the reason why a company's finished goods inventory costs tend to decrease as the firm changes from a Make-To-Plan (MTP) to Make-To-Order (MTO) strategy. (6 marks)
- c) Successful companies understand the power of designing the network to support a specific strategy. Propose six (6) strategies that you, as a supply chain manager, can adopt in contributing to the overall corporate strategy of your organisation. (10 marks)

QUESTION FIVE

- a) Discuss the four (4) stages of negotiation. (8 marks)
- b) Your organisation is considering automating the supply chain function. Justify the use of Enterprise Resource Planning (ERP) systems citing their advantages and disadvantages. (6 marks)
- c) Last financial year, a Savanna Cement wholesaler sold 400 tonnes of cement. It estimates the cost of placing the order at Kshs. 45 each time an order is placed and charges its inventory carrying cost at 15% per cent of the purchase cost. The company purchases cement at Kshs. 6,000 per tonne. Calculate the Economic Order Quantity (EOQ) (Show all the workings). (6 marks)