



**STRATHMORE UNIVERSITY BUSINESS SCHOOL**  
**BACHELOR OF SCIENCE IN SUPPLY CHAIN AND OPERATIONS MANAGEMENT**  
**SCM 4207; SUPPLY CHAIN ETHICS AND DUE DILIGENCE**  
**END OF SEMESTER EXAMINATION**

**Date:** Wednesday, 2<sup>nd</sup> August 2023

**Time:** 2 Hours

**Instructions**

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

**QUESTION ONE**

**(TOTAL 20 MARKS)**

The Rana Plaza building collapse occurred on April 24, 2013, in Dhaka, Bangladesh. It resulted in the death of more than 1,100 garment workers and injured thousands of others. The incident brought global attention to the working conditions and safety issues prevalent in the garment industry supply chains.

The Rana Plaza building housed several garment factories that produced clothing for major Western brands. The building's collapse was attributed to a combination of factors, including substandard construction, additional floors added without proper authorization, and the overloading of the building with heavy machinery and garment materials.

This tragic event shed light on the health and safety risks faced by workers in the global supply chains and exposed the need for increased transparency and accountability throughout the industry.

- a) Describe **FOUR** critical ethical issues arising from the incident at Rana Plaza. **(8 Marks)**
- b) Assess **FOUR** potential questions that may be included in detailed assessment of Ethical Practices in the Rana Plaza case. **(8 Marks)**
- c) Modern day slavery is often hidden beneath the sub tiers of Supply Chain. Describe **FIVE** indicators of modern-day slavery. **(10 Marks)**
- d) ISO 20400:2017 is an international sustainable standard that specifically covers the process of sustainable procurement. Enumerate **FOUR** ways that it can contribute to the United Nations (UN) sustainable development goals. **(4 Marks)**

**QUESTION TWO**

**(TOTAL 20 MARKS)**

A Retailer company operates over 1,400 stores worldwide, across 56 international territories. It recognizes that operating on this scale can have a lasting negative external and internal impact on people and the environment, and to demonstrate its commitment to mitigating this, the company has

developed its “plan A” strategy because the company believes there is no “plan B”, this strategy outlines the company’s commitment to being sustainable in all aspects of its operation including Supply Chain.

- a) Suggest Four (4) that should be included in the strategy **(8 Marks)**
- b) *Adam Smith* a pioneer of political economy believed that overall wealth creation is maximized when individuals pursue their own interest rather than worrying about the interest of others. Argue **for** and **against** this theory. **(6 Marks)**
- c) Describe the concept of due diligence in supply chain management and explain **THREE** ways in which it can be carried out. **(6 Marks)**

**QUESTION THREE** **(TOTAL 20 MARKS)**

- a) Using an appropriate model, Suggest **THREE** key influences that causes an individual to commit workplace fraud. **(6 Marks)**
- b) Contract compliance is a fundamental part of contract management. Discuss **FIVE** metrics of measuring environmental sustainability in an organization of your choice **(10 Marks)**
- c) Highlight **FOUR** steps in Due Diligence Process **(4 Marks)**

**QUESTION FOUR** **(TOTAL 20 MARKS)**

- a) With relevant examples, Explain **FOUR** reasons for Supply Chain Mapping **(8 Marks)**
- b) The International Labour Organization (ILO) is specialized agency of the United Nations (UN) whose purpose is to run programs are aimed at the rights of everyone to decent work and set the relevant policies and standards to that effects. Explain **FOUR** categories of fundamental principles that the member states have committed to undertake. **(8 Marks)**
- c) Highlight **FOUR** forms of fraud in an organization **(4 Marks)**

**QUESTION FIVE** **(TOTAL 20 MARKS)**

- a) Highlight **TEN** principles of World Fair Trade Organization (WFTO). **(10 Marks)**
- b) Discuss **THREE** contractual terms that can support sustainability in Supply Chain. **(6 Marks)**
- c) Suggest **TWO** ways in which an organization can manage reputational risk in relation to its ethics and sustainable procurement practices **(4 Marks)**