



STRATHMORE BUSINESS SCHOOL
BACHELOR OF SCIENCE IN SUPPLY CHAIN AND OPERATIONS MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 4104: OPERATIONS MANAGEMENT PRACTICE

DATE: Fri, 2nd Aug 2024

TIME: 10:30 – 12:30

Instructions:

This Examination consists of **FIVE** questions

Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

QUESTION ONE

[30 MARKS]

Read the Case study below and answer the questions that follow

Case Study- Elite Furniture

Susan Smith had planned on spending six months at home before returning to work after the birth of her first child. However, she and her husband had recently purchased a new home and the high mortgage payments dictated an early return to work. Susan worked for Elite Furniture, a manufacturer of high end furniture and related products. She had recently been promoted to Assistant Product Manager for upholstered furniture after serving as sales representative in the Eastern region for three years. Upon returning to work, Susan discovered that the Purchasing Manager had started buying an inferior grade of padding for use in making upholstered furniture. The padding would last about half as the regular padding but the lower quality could not be detected by the buyer immediately.

When Susan revealed this information to her Boss, she was told that the Purchasing Manager was following orders from the top management. The company was having financial difficulties and had to cut costs. The change in padding quality was a quick and safe way to do so. Susan argued that selling inferior merchandise as an expensive quality product was no way to solve budget problems, but she got nowhere. For a long time, Elite Furniture products projected an image of quality which Susan had stressed to her retailers when she was selling in the Eastern Region. She could not envision Elites image eroding rapidly as consumers began to experience premature wear in their expensive furniture. Not only would Elite's reputation be damaged but also that of the retailers re-selling Elite's products.

Required;

- a) Explain Operations management problems in the Case. **(10 marks)**
- b) Advise the management of Elite Furniture on **FIVE** ways they can use operations management strategy for competitive advantage. **(10 marks)**
- c) The management of the company would like to introduce Computer Aided Design system (CAD). Explain **Five** benefits of CAD to Elite Furniture. **(10 marks)**

QUESTION TWO

[15 MARKS]

- a) XYZ Company is a manufacturer of electronics in Nairobi. Among other operations problems a lot of their working capital has been tied to inventory. A consultant has advised them to implement Just in Time (JIT) manufacturing system. Explain **FIVE** objectives of JIT manufacturing. **(10 marks)**
- b) Performance measures for employee in an organization should be aligned with key business drivers. Explain any **FIVE** relevant business drivers in a company that lead to business excellence. **(5 marks)**

QUESTION THREE

[15 MARKS]

- a) After a recent visit to BAT Kenya, you learnt that they recently carried out a workplace transformation. Explain **FIVE** elements of the transformation and **FIVE** benefits to the stakeholders. **(10 marks)**
- b) Using relevant examples, explain process planning and selection concept. **(5 marks)**

QUESTION FOUR

[15 MARKS]

- a) You are working as Operations Manager in a manufacturing unit. Discuss the meaning and **FIVE** importance of scheduling. **(8 marks)**
- b) Explain the **THREE** factors considered while determining the Economic Lot Size for manufacturing. **(7 marks)**

QUESTION FIVE

[15 MARKS]

- a) Describe how the management of Kenyatta National Hospital can apply the PDCA cycle to solve patient's services problems. **(10 marks)**
- b) Using practical examples distinguish between Aggregate production planning and Materials Requirement Planning (MRP) **(5 marks)**