



STRATHMORE BUSINESS SCHOOL
BACHELOR OF SCIENCE IN SUPPLY CHAIN & OPERATIONS MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 2202: GLOBAL SUPPLY CHAIN MANAGEMENT

DATE: Monday, 16th December 2024

TIME: 10:30 – 12:30

Instructions:

Answer Question **One** and any other **Three** Questions

Question One –Compulsory

(30 Marks)

Mini Case Study: Global Supply Chain Risks – African Agricultural Exports

AgriFoods is a Kenyan company specializing in exporting fresh fruits and vegetables, primarily to European markets. It sources produce from local small-scale farmers and sells products like avocados, mangoes, and french beans. AgriFoods has built a reputation for high-quality, sustainably grown produce, and demand from Europe has been growing steadily.

However, the company’s global supply chain has faced significant disruptions due to various risks: Rising costs of inputs like fertilizers and pesticides, driven by global supply chain disruptions, are increasing operational costs. Global logistics challenges, such as container shortages and delays at major ports in Mombasa and Rotterdam, are leading to spoilage and delays in getting products to European markets; Climate change impacts in Kenya are causing irregular weather patterns, affecting crop yields and quality; Compliance with stringent European regulations on pesticide residues and sustainability certifications is becoming increasingly complex and costly.

AgriFoods’ leadership is tasked with addressing these challenges to ensure they can continue meeting the growing demand from their European customers while managing the rising risks in their global supply chain.

- a) Use **FOUR** points to elaborate on the potential impacts of the risks being faced by AgriFoods’ global supply chain. **(8 marks)**
- b) Propose **FOUR** risk mitigation strategies AgriFoods can implement to address these global supply chain risks. **(8 marks)**
- c) Discuss **THREE** ways AgriFoods can leverage on digital technology to strengthen its supply chain resilience. **(6 marks)**

- d) AgriFoods applies the international commercial terms (INCOTERMS) in its contractual commitments with foreign clients. Use **FOUR** points to explain the importance of applying INCOTERMS in global trade. **(8 marks)**

Question Two (20 marks)

- a) In your own words explain this statement “Don’t let your global supply chain strategy develop in isolation from the rest of the business”. **(4 marks)**
- b) Explain **THREE** characteristics of born global companies. **(6 marks)**
- c) Describe **FIVE** commonly used market entry types of international business operations. **(10 marks)**

Question Three (20 Marks)

- a) Briefly explain the following international trade theories **(4 marks)**
- i. Porters Diamond theory
 - ii. Mercantile Theory
- b) Discuss **FOUR** roles of customs broker/agent in global supply chain management. **(8 marks)**
- c) Katipo Limited intends to transport materials purchased from overseas market by sea. Suggest **FOUR** incoterms that may be used through this mode of transport. **(8 marks)**

Question Four (20 marks)

- a) List **FOUR** documents required in clearance of imported goods. **(4 marks)**
- b) Describe the letter of credit international payment method citing **TWO** of its advantages. **(6 marks)**
- c) Examine **FIVE** factors that contribute to the increased complexity and cost of global logistics. **(10 marks)**

Question Five (20 marks)

- a) Outline **FOUR** types of players that are involved in international purchasing. **(4 marks)**
- b) Some organisations may be reluctant to acquire their material requirements from foreign countries. Examine **FOUR** reasons that may account for the reluctance. **(8 marks)**
- c) Discuss **FOUR** roles of the World Trade Organization (WTO) in global supply chain management. **(8 marks)**

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