



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

DATE: 11th December 2023

Time: 15:30-17:30

Instructions

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

QUESTION ONE (30 MARKS)

- a) Explain **TWO** roles of International Chamber of Commerce (ICC) in supporting global supply chain operations. **(4 marks)**
- b) Differentiate between comparative cost advantage and absolute cost advantage international trade theory. **(6 marks)**
- c) Discuss **THREE** ways a company can achieve cost savings in its global supply chain while maintaining product quality. **(6 marks)**
- d) XYZ Electronics, a manufacturer of consumer electronics based in Turkey, Istanbul is planning to export a shipment of smartphones to ABC Distributor in Nairobi, Kenya. The consignment is to be transported by Air. You are the supply chain manager of ABC Distributor leading a team to discuss incoterms for this transaction. Recommend at least **TWO** incoterms and justify your choice. **(6 marks)**
- e) Explain **FOUR** factors a supply chain manager should consider when selecting suppliers from global supply chain network. **(8 marks)**

QUESTION TWO (20 MARKS)

- a) Global e-commerce allows merchants to expand into non-native markets and reach new customers. Examine **THREE** disadvantages of e-commerce to businesses. **(6 marks)**
- b) Discuss **FOUR** characteristics of emerging markets. **(8 marks)**
- c) Describe the following documents used in international trade: -
 - i. Bill of Lading
 - ii. Letter of Credit
 - iii. Commercial Invoice**(6 marks)**

QUESTION THREE (20 MARKS)

- a) Technological factors are one of many external factors that can affect global business. Discuss **THREE** of these factors that a manager should consider when managing their global supply chains. **(6 marks)**
- b) Explain **THREE** key points to consider when choosing the right incoterms rule for a specific transaction. **(6 marks)**
- c) The Chartered Institute of Procurement and Supply has organised a forum whose main theme is “Global Supply Chain Management in Africa”. You have been requested to speak about “*Contracting in Global Supply Chain Management*”. Explain to the delegates **FOUR** key points to consider when developing international contracts. **(8 marks)**

QUESTION FOUR (20 MARKS)

- a) Examine **THREE** strategies a global company can employ to optimize its transportation and distribution network. **(6 marks)**
- b) Describe **THREE** supply chain risk mitigations in global supply chain management. **(6 marks)**
- c) You have been employed as the global supply chain manager of GTF Company Limited who procure most of their products from the global market. You have noted that most of their operations are manual and it’s affecting the operation of the department. Explain to the ICT manager, the importance of IT in global supply chain management. Use **FOUR** points. **(8 marks)**

QUESTION FIVE (20 MARKS)

- a) Buyers involved in global sourcing are usually faced with the problem of price fluctuation when acquiring materials from foreign countries. Discuss **THREE** measures that buyers should take to protect their companies against the hostile effects of such fluctuations. **(6 marks)**
- b) Describe **THREE** methods of payment in global procurement. **(6 marks)**
- c) The seller bears all costs and risks from packing and checking in their warehouses to delivery at final destination, including export and import clearance, freight, and insurance, if taken out. The buyer only has to receive the goods and usually unloads them, although this can also be done by the seller.

Task:

- a. Identify the incoterm described above. (2 marks)
- b. Explain **THREE** advantages of the incoterm identified (6 marks) **(8 marks)**