



# MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

THIRD YEAR SPECIAL/ SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF COMMERCE

BMS 319: LOGISTICS MANAGEMENT

DATE:

TIME:

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## INSTRUCTIONS:

Answer Question ONE and any other TWO Questions.

### QUESTION ONE (30 MARKS)

#### DENNISTON SPICES

Founded in 1903 by Walter J. Dennisston, Dennisstone Spices was a global leader in food industry - manufacturing, marketing, and distributing a wide variety of spices, mixes, condiments, and other seasoning products to the retail, commercial, and industrial markets. Headquartered in Chicago, the company had sales revenues of \$5.5 billion and sold its products in more than 100 countries world-wide. Its customers included retail outlets, food manufacturers, restaurant chains, food distributors, and food service businesses. Dennisston Spices was also a leading supplier of private label items.

The Phoenix plant manufactured and distributed spices, herbs, extracts, and seasoning blends to retail and industrial customers in the southwest United States. Amy Lin was responsible for managing approximately 300 stock – keeping units (SKUs) consisting of spices and compounds, purchased from Whittingham Foods which was the sole supplier for these products. All SKUs supplied to the Phoenix plant came from their Indianapolis facility.

Amy Lin, material planner at Denniston Spice, in Phoenix, Arizona, was faced with an important problem caused by a supplier who was implementing a new ERP System. It was Tuesday, April 9, 2014, and during a call the previous day from Juan Aranda, sales manager at Whittingham Foods, Army learned that potential problems might occur starting in September as the new system was implemented at the Whittingham's Indianapolis Plant. Using the case as a reference point:

- a) Discuss **five logistics management practices** Amy may focus on in order to avert the problem (10 marks)
- b) Discuss **five logistics management strategic tools which** Amy may use in the course of addressing the problem (10 marks)
- c) Explain any **five information communication Technology tools** Amy may use to solve the problem (10 marks)

**QUESTION TWO (20 MARKS)**

Globalization has opened up global markets such that no market is far enough for a buyer or a seller. As a result, logistics complexity has increased. Consequently, some managers have adopted ICT in managing the emerging complexity in logistic practices. As result, you are required to:

- a) Examine five contributions of ICT in logistic management (10 marks)
- b) Explain five challenges of global logistics management to importers (10 marks)

**QUESTION THREE (20 MARKS)**

- a) It has been said that without effective logistic practices, procurement activities will yield nothing that the firms can write home about. In five points, assess the contribution of logistics management to the performance of procurement function in a manufacturing set up (10 marks)
- b) Discuss any five logistic systems (10 marks)

**QUESTION FOUR (20 MARKS)**

- a) Explain any five advantages of reverse logistics to the automobile industry (10 marks)
- b) Discuss five functions of logistics management in a manufacturing firm (10 marks)

**QUESTION FIVE (20 MARKS)**

- a) Explain five factors to consider when selecting the right mode of transport (10 marks)
- b) Briefly describe five emerging trends in Logistics Management (10 marks)