



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

**FOURTH YEAR SECOND SEMESTER EXAMINATION FOR
BACHELOR OF SCIENCE (AGRIBUSINESS MANAGEMENT)
AGB 404 AGRICULTURAL SUPPLY CHAIN MANAGEMENT**

DATE: 26/10/2020

TIME: 8:30 – 10:30 AM

INSTRUCTIONS:

Answer Question One and Any Other Two Questions.

SECTION A: COMPULSORY

CASE STUDY: MARKS LTD (SUPPLY CHAIN FIRM)

Marks Ltd. Company manufactures and sells 100 different firm products that are stored in a warehouse next to the production plant. Customer orders are picked and dispatched from this building throughout the Continent. This company through their sales Manager Miss. Joy has identified an opportunity in the market and can significantly increase the company's turnover, but they do not have the manufacturing capacity to enable them to take advantage of this opportunity. A consultant pointed out to them that they could source a further 200 different firm products from a third-party manufacturer in China, and this they have decided to do. The current warehouse setup is as follows:

- The warehouse currently operates a block stacking system for pallet storage, and each 1.25 metre high pallet can be stacked 4 high to a height 6 metres.
- The warehouse roof is 10 metres high.
- A separate section is laid out with single pallets from where product can be picked for customer orders.
- Staff picks single orders at a time using hand pallet trucks.
- A counterbalance fork truck is used to move product around the warehouse

Bearing in mind the increased lead times from third-party suppliers, particularly the distance product needs to be transported from China to the Country, and the fact that a huge increase in stock will need to be stored anyway.

Case questions

- a) Discuss some of the health, security and safety measures that the managers should put in their warehouse (8 marks)
- b) Discuss the contribution of warehouse to supply chain performance (7 marks)
- c) Explain any four factors the firm should consider when determining the location of a warehouse (8 marks)
- d) Warehousing 'performance measurement' is critical for assessing the performance of the warehouse. Analyze any seven measures that can be used. (7 marks)

QUESTION TWO (20 MARKS)

- a) Explain the any FIVE factors to be considered when determining the right distribution channels for the firm products in the supply chain. (10 marks)
- b) Discuss any FIVE risks that the firm can encounter in the supply chain (10 marks)

QUESTION THREE (20 MARKS)

- a) Discuss the concept of supply chain Management stating the emerging issues (12 marks)
- b) There are Several Modern Inventory Management Techniques that most firms' practices in their stores. Discuss any 4 techniques commonly used. (8 marks)

QUESTION FOUR (20 MARKS)

- a) Identify and elaborate on the factors that a supply chain manager should consider in determining the lead time (10 marks)
- b) Explain measures that can be taken to minimize supply chain costs (10 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss the contribution of information technology on service delivery in supply chain? (8 marks)
- b) Measuring performance of a supply chain is mandatory to ensure prudent management of the organization. Highlight on any SIX areas of supply chain performance measurement. (12 marks)

