



MACHAKOS UNIVERSITY

University Examinations for 2022/2023 Academic Year

SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM

MANAGEMENT

DEPARTMENT OF BUSINESS ADMINISTRATION AND FINANCE

THIRD YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE (PROCUREMENT AND SUPPLY CHAIN

MANAGEMENT OPTION)

BMS 320: STORAGE AND WAREHOUSE MANAGEMENT

DATE:

TIME:

QUESTION ONE (COMPULSORY) (30 MARKS)

MANDO WAREHOUSES

The manager of Mando warehouses points out that, he would be the first to admit that he has taken, historically, some of the more common sense or ‘traditional’ approaches to warehouse space design & development. While always aggressive with the given space he was tasked with, traditional approaches or solutions still applied. Maximizing space utilization or ‘cube’ utilization are two biggies in fact buildings, building space is expensive. Compliant design factors, with their cost considerations, are more prevalent today than in the past 20 to 30 years. Insurance is also an elephant in the house of warehousing. Meaning specifically, what you store and how you store it matters a lot.

Storage concepts and design solutions fully endorsed or recommended in the past are analyzed differently today. Under such scrutiny, the “both eyes wide open” approach to your storage design, method or solution cannot be stressed enough! To investigate the issue further, one may consider the following:

- What your ‘traditional’ approach has always been...
- What you don’t know...
- What you overlook...

Each of these will likely cost you much if you haven’t completed a current and thorough design analysis. Given specific scenarios, all things considered and valued, a bigger building or space may be more cost effective.

Tasks:

- a) Using the case above, explain five reasons against storage of materials by organizations. (10 marks)
- b) Analyze five costs which are associated with the holding of materials in an organization. (10 marks)
- c) Discuss five ways in which an organization may optimally utilize its storage space (10 marks)

QUESTION TWO (20 MARKS)

- a) Describe the material issue procedure into an organization. (10 marks)
- b) Explain the reasons that would favour the use of replacement method of materials for internal use. (10 marks)

QUESTION THREE (20MARKS)

- a) Explain the factors to consider when selecting the method of dispatching materials to external customers. (10 marks)
- b) Explain the operational aspects of a storage accommodation that should be considered when designing a warehouse. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain the various reasons that have led to the continued use of manual handling within some organizations in Kenya. (10 marks)
- b) Explain the measures that may be instituted in a warehouse to ensure security of the materials dealt in. (10 marks)

QUESTION FIVE (20MARKS)

- a) Explain the challenges that a storekeeper could face while using a fixed stock location system in its warehouses. (10 marks)
- b) Material codification is a pre-requisite to warehouse efficiency. Discuss. (10 marks)