MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE(PROCUREMENT OPTION)

BMS 320: STORAGE AND WAREHOUSING MANAGEMENT

DATE: 17/4/2019 **TIME: 8:30 – 10:30 AM**

INSTRUCTIONS: Attempt Question ONE and any other TWO question

QUESTION ONE (COMPULSORY) (30 MARKS)

COLE ENTERPRISE LIMITED

Cole Enterprise Limited is a manufacturer and distributor of various household products for Kenya and East Africa market. The products are manufactured at the factory premises in Mombasa and held in large factory warehouses awaiting distribution. Inspection of incoming raw materials is very vital due to the increased concern for quality, which is reflected in the wide-spread use of quality assurance schemes, quality circles, right first time initiatives that has led to less rather than more inspection of finished products taking place. To support quality assurance initiatives, Cole Enterprise Limited adopted Just in Time system. The management of Cole Enterprise Limited has also decided to embark on an ambitious programme of constructing and owning its own distribution warehouses across its market as a strategy towards halting the declining trend in business.

Required:-

a) Explain the advantages that Cole Enterprise Limited will enjoy from operating its own distribution warehouses. (6 marks)

b) "Inspection of incoming raw materials is very vital due to the increased concern for quality." Discuss the types of inspection that can be undertaken for the incoming raw materials. (6 marks)

c) Identify the merits of Just In Time that Cole enterprise Limited will experience. (6 marks)

d) Discuss the factors that can be used to measure performance of their stores. (6 marks)

e) Explain the benefits of proper material handling to this organisation (6 marks)

QUESTION TWO (20 MARKS)

a) Explain the factors that influence the decisions to lease/hire storage accommodation. (10 marks)

b) Analyze the benefits of computerization of stock records. (10 marks)

QUESTION THREE (20 MARKS)

a) Give characteristics of an efficient stores code. (10 marks)

b) Evaluate the Costs associated with holding stock. Benefits and the associated with holding stock. 10mks

QUESTION FOUR (20 MARKS)

a) Identify the causes of discrepancies of stock within the storehouse. (10 marks)

b) Explain the factors that should be considered in layout planning of the stores. (10 marks)

QUESTION FIVE (20 MARKS)

a) Discuss the methods of issuing stores for internal use. (10 marks)

b) Identify at least four costs in distribution. (10 marks)