



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)**

BMS 317: PRINCIPLE OF SUPPLY CHAIN MANAGEMENT

DATE:

TIME:

INSTRUCTIONS: Attempt Question ONE and any other TWO question

QUESTION ONE (COMPULSORY) (30 MARKS)

Case Study

HA MASTER LTD

Originally, HA Master Ltd had several suppliers of critical components. Following a consultancy exercise, it decided to adopt a policy of single sourcing for some of items. The policy has led to several problems. The manufacture of two critical die-cast items involves the use of expensive moulds. The present supplier of these two items agreed to supply the moulds free of charge on the condition that the moulds would remain the supplier's property and that Household appliances would not source elsewhere for a minimum of two years. This supplier is located some 150 miles from Household Appliances.

HA Master Ltd's production line also experienced a serious hold-up during an industrial dispute affecting deliveries of a third component. Subsequent enquiries elicited the facts that the supplier of the component manufactured the same item for three of Household's competitors, all of whom placed substantially larger orders. It also emerged that a preferred alternative supplier for this component has entered into a collaborative arrangement with one of HA Master Ltd's competitors for a joint development of an alternative item offering substantial cost and performance advantages over that currently in use.

To obviate losses, which, due to the above factors have been significant, HA Master Ltd has adopted a policy of keeping significant stocks of critical components.

Tasks:

- a) Identify and explain **five** supply chain operational issues in the case. (10 marks)
- b) Discuss **five** supply chain management strategies you would recommend to improve the current situation of HA Master Ltd. (10 marks)
- c) Identify and explain **five** inventory management techniques HA Master Ltd could deploy to manage her stock levels competitively. (10 marks)

QUESTION TWO (20 MARKS)

- a) Discuss five elements that may be considered as Supply Chain Enablers. (10 marks)
- b) Explain **five** factors that may affect performance of Supply Chain Management function in the manufacturing industry. (10 marks)

QUESTION THREE (20 MARKS)

- a) Explain **five** advantages of using Information Communication Technology in the management of an organisational supply chain. (10 marks)
- b) Explain five emerging issues in Supply Chain Management that are related to green procurement. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss **five** industry related sources of Supply Chain Risks in an organisation. (10 marks)
- b) Explain **five** goals of Supply Chain Optimization in a multinational company with operations decentralised in a number of countries (10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain five benefits that may accrue to an organisation that invests in the planning of its supply chain operations. (10 marks)
- b) Discuss any **five** activities that are commonly performed in the upstream side of a supply chain for a manufacturing organisation. (10 marks)