



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 319: LOGISTICS MANAGEMENT

DATE:

TIME:

INSTRUCTIONS: Attempt Question ONE and any other TWO question

question one (compulsory) (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:

- Discuss **five** logistics management practices Amy may focus on in order to solve the problem. (10 marks)
- Discuss **five** strategic tools that Amy may use in the course of addressing the logistics management problems faced in the case. (10 marks)

- c) Explain any **five** Information Communication Technology tools Amy may use to solve the problem (10 marks).

QUESTION TWO (20 MARKS)

- a) Explain five reasons that may make it necessary for an organisation to prefer the use of 4PLs as compared to 3PLs (10 marks)
- b) Explain five ways in which logistics may constitute to the primary activities of an organization according to Value Chain Concept (Porter 1985). (10 marks)

QUESTION THREE (20 MARKS)

- a) Discuss FIVE contributions of logistics management to the performance of the procurement function in a manufacturing set up (10 marks)
- b) Explain five factors that a logistical organisation should consider when choosing the most appropriate packaging material to use for goods. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain any five advantages of reverse logistics to the automobile industry (10 marks)
- b) Discuss how you may measure the performance of a company's logistics system. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain five factors to consider when selecting the right mode of transport for logistical operations (10 marks)
- b) Explain five factors that an organisation should consider when routing its transportation vessels. (10 marks)