



MACHAKOS UNIVERSITY

University Examinations for 2017/2018 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS, ENTREPRENEURSHIP & MANAGEMENT SCIENCE

**FOURTH YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF COMMERCE
(PROCUREMENT AND SUPPLY CHAIN MANAGEMENT OPTION)**

BBA 425: PROCUREMENT STRATEGY

DATE: 13/12/2017

TIME: 11:00 – 1:00 PM

INSTRUCTIONS:

Answer Question One and Any Other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Highlight the distinguishing characteristics between the management of procurement strategically and managing it conventionally. (6 marks)
- b) Outline the features of a procurement strategy as opposed to those of a corporate strategy in an organization. (6 marks)
- c) You have been appointed to a team which is charged with the responsibility of developing a mission statement for your business unit. Highlight the aspects that should be contained in such a mission statement. (6 marks)
- d) Highlight the risks of pursuing a differentiation focus strategy by an organization. (6 marks)
- e) Highlight the factors that a procurement officer should consider when choosing the appropriate sourcing strategy for implementation. (6 marks)

QUESTION TWO (20 MARKS)

- a) Shiloh Company limited has just discovered that the procurement strategy they had implemented has not achieved their objectives. Explain the possible reasons that may have contributed to the failure. (10 marks)
- b) Explain the ways in which the implementation of make strategy may contribute to the achievement of cost leadership strategy in an organization. (10 marks)

QUESTION THREE (20 MARKS)

- a) Describe how the 7s model by Mac Kenzie can be used to carry out scrutiny of the internal environment of an organization. (10 marks)
- b) You have been appointed to steer head the preparation of a budget for a bench marking exercise for your organization so as to measure the performance of an implemented procurement strategy. Highlight five items of costs that should be included in the budget. (10 marks)

QUESTION FOUR (20 MARKS)

- a) SWOT analysis is not a panacea. Elaborate on this statement. (10 marks)
- b) A good Organizational mission statement is the foundation of strategic procurement management in organizations. Discuss. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain the measures that a procurement officer may institute in an organization so as to increase the integrity of results for a supply chain performance measurement. (10 marks)
- b) For successful procurement strategy implementation, development of procurement policies is a prerequisite. Discuss. (10 marks)



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FOURTH YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF COMMERCE

BMS 427: INTERNATIONAL PURCHASING

DATE: 11/12/2017

TIME: 11:00 – 1:00 PM

INSTRUCTIONS:

Answer Question One and Any Other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Highlight the implications of using the CPT Incoterm when importing goods. (6 marks)
- b) Highlight the role of International Monetary Fund (IMF) in the facilitation of international business. (6 marks)
- c) Enumerate the measures that a newly established clearing and forwarding agent may institute to sharpen their competitive edge. (6 marks)
- d) Highlight the purposes served by the Bill of lading in International purchasing. (6 marks)
- e) An audit conducted for Shiloh Fish Processors and Exporters Company Ltd has revealed non-compliance to the relevant legal requirements. Outline FIVE such requirements. (6 marks)

QUESTION TWO (20 MARKS)

- a) EAC is a trading bloc established to foster trade between the East African Countries. Explain the challenges that are facing this trading bloc. (10 marks)
- b) Explain the options available for an importation company when managing currency fluctuations with a foreign supplier. (10 marks)

QUESTION THREE (20 MARKS)

- a) Your organization is contemplating the established of reciprocity with some of its suppliers in the global arena. Explain the scope of reciprocal arrangements for the organization to choose from. (10 marks)
- b) Kenya Ports Authority (KPA) is one of the organizations which facilitate International trade between Kenya and other countries. Explain the challenges that the Authority could be facing in the discharge of its mandate. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Counter trade agreements tend to be complex. Justify this statement by explaining the aspects that render them complex. (10 marks)
- b) Off-shoring arrangements between a developing country and a developed country may tend to benefit the developed country the more. Highlight the measures that can be put in place curb this trend. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Highlight the measures that the Kenya Revenue Authority (KRA) may institute in its Customs Department to enhance revenue collection. (10 marks)
- b) Highlight the benefits that the Kenyan Economy may be deriving from the use of the newly constructed Standard Gauge Railway (SGR). (10 marks)



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**THIRD YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF COMMERCE
(PROCUREMENT & SUPPLY CHAIN MANAGEMENT)**

BMS 320: STORAGE AND WAREHOUSING MANAGEMENT

DATE: 15/12/2017

TIME: 2:00 – 4:00 PM

INSTRUCTIONS:

Answer Question One and Any Other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Enumerate the reasons that may lead an organization to outsource its storage function. (6 marks)
- b) Highlight the operational features of the zonal stock location system in a warehouse. (6 marks)
- c) Outline the procedure that a warehouse officer may follow when issuing goods from a store. (6 marks)
- d) You are part of a team that has been tasked to develop an inspection budget for an impending delivery. Highlight the items of cost that may be included in the budget. (6 marks)
- e) Variety reduction should be regulated for an organization to benefit from the exercise. Outline FIVE reasons to justify this statement. (6 marks)

QUESTION TWO (20 MARKS)

- a) The use of polythene bags as a packaging material has been banned in Kenya. Explain the adverse effects to the environment that led to the ban. (10 marks)
- b) Explain the advantages of the Horse-Shoe Layout of a storehouse. (10 marks)

QUESTION THREE (20 MARKS)

- a) Some organizations still prefer manual warehouse operations despite the automation trend.
Explain the reasons that may have led to this preference. (10 marks)
- b) Stores opening hours can contribute to the efficiency of a warehouse. Explain the factors that a warehouse manager should consider when developing such a schedule. (10 marks)

QUESTION FOUR (20 MARKS)

- a) The report of an audit carried in Shiloh Company Ltd has revealed abuse of authority during material issues from its warehouses. Explain FIVE ways of correcting the problem. (10 marks)
- b) The warehouses of Debuz Company Ltd burned to ashes despite its culture of conducting firefighting drills annually. Explain the reasons that might have contributed to the situation. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Highlight the purposes served by a Supplier Advice Note in the receiving process for goods. (10 marks)
- b) Explain the circumstances that may favour the use of bulk issue method of goods in an organization. (10 marks)



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THIRD YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF COMMERCE

(PROCUREMENT & SUPPLY CHAIN MANAGEMENT)

BMS 321: SUPPLIER QUALITY MANAGEMENT

DATE: 14/12/2017

TIME: 11:00 – 1:00 pm

INSTRUCTIONS:

Answer Question One and Any Other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Highlight the reasons that make team approach preferable by most organizations when developing specifications. (6 marks)
- b) Inspection is a pre-requisite to the quality control process. Outline the reasons that justify this statement. (6 marks)
- c) Quality improvement requires proactive reviewing of different aspects by certified organizations. Highlight FIVE aspects that require review. (6 marks)
- d) The top management of your organization has not been supporting the implementation of a quality standard which you are certified with. Enumerate the ways you can use to win their support. (6 marks)
- e) Describe how organizations use the PARETO graph as a quality control tool (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain the circumstances that favour the use of the Brand name as a method of specification. (10 marks)
- b) Describe the procedure that an organization may follow when conducting Value Analysis. (10 marks)

QUESTION THREE (20 MARKS)

- a) Some organizations prefer the involvement of suppliers in the Value Engineering process. Explain the reasons that lead to this preference. (10 marks)
- b) External failure costs of quality are considered the worst for any organization. Explain FIVE ways that a quality manager may use to prevent such costs. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain the advantages of floor inspection method for materials. (10 marks)
- b) Describe the procedure that an organization may follow when addressing a customer complaint for a defective delivery. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Shiloh Company Ltd is not certified with any quality standard yet it is leading the competitive battle. Explain the reasons that may still necessitate the company to seek certification. (10 marks)
- b) Explain FIVE dimensions of quality that are associated with the procurement of goods. (10 marks)



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**FIRST YEAR FIRST SEMESTER EXAMINATION FOR DIPLOMA IN PROCUREMENT
AND SUPPLY CHAIN MANAGEMENT**

DPS 101: INTRODUCTION TO SUPPLY CHAIN MANAGEMENT

DATE: 13/12/2017

TIME: 11:00 – 1:00 pm

INSTRUCTIONS:

Answer Question One Any Other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Outline SIX ways in which the procurement department may enhance the production operations of an organization. (6 marks)
- b) Highlight SIX assumptions of the application of Economic Order Quantity (EOQ) model determination of the right quantity of materials to be bought. (6 marks)
- c) Identify SIX purposes of specifications in purchasing. (6 marks)
- d) Outline SIX financial aspects that a procurement officer should consider when evaluating a supplier. (6 marks)
- e) Highlight SIX factors that influence the price charged by supplies for products. (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain five indicators of an efficient distribution system of goods. (10 marks)
- b) Explain FIVE decisions related to transportation of goods in an organization that may be made at the operational level. (10 marks)

QUESTION THREE (20 MARKS)

- a) Highlight FIVE ways in which the procurement department may contribute to delayed payments to suppliers. (10 marks)
- b) Explain FIVE ways in which a procurement officer may enhance timely deliveries. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain FIVE benefits of centralizing procurement activity in an organization. (10 marks)
- b) Explain FIVE ways that a supply chain officer may manage the small order (Low Value) procurements. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Highlight FIVE circumstances that may give rise to rush orders in an organization. (10 marks)
- b) Highlight FIVE disadvantages of buying goods in excess of organizational requirements. (10 marks)



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FIRST YEAR FIRST SEMESTER EXAMINATION FOR DIPLOMA IN PROCUREMENT

AND SUPPLY CHAIN MANAGEMENT

DPS 105: WAREHOUSING OPERATION AND STOCK CONTROL

DATE: 11/12/2017

TIME: 11:00 – 1:00 PM

INSTRUCTIONS:

Answer Question One and Any Other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) State SIX advantages of using public warehouses. (6 marks)
- b) Highlight SIX factors that a store keeper should consider when selecting the method of inspection to use for delivered goods. (6 marks)
- c) Outline SIX reasons that could have led the Kenyan Government to ban the use of polythene bags as a packaging material. (6 marks)
- d) Enumerate SIX purposes served by stock records in an organization. (6 marks)
- e) Highlight the limitations associated with the use of Just In Time (JIT) method of stock control. (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain FIVE preparations that a storekeeper should undertake before a stocktaking exercise. (10 marks)
- b) Highlight FIVE measures that a warehouse manager may put in place to control pilferage of materials in a store. (10 marks)

QUESTION THREE (20 MARKS)

- a) Highlight FIVE benefits that may accrue to an organization which uses bar coding for its materials. (10 marks)
- b) Explain FIVE features of the Fixed Stock Location System. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Highlight FIVE indicators of an efficient stores layout. (10 marks)
- b) Explain FIVE ways in which an organization may minimize costs associated with material handling. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain FIVE types of stock levels that may be set in a warehouse. (10 marks)
- b) Highlight FIVE documents used during the inspection process for goods. (10 marks)