



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 321: SUPPLIER QUALITY MANAGEMENT

DATE: 23/4/2019

TIME: 8:30 -10:30 AM

INSTRUCTIONS: Attempt Question ONE and any other TWO question

QUESTION ONE (COMPULSORY) (30 MARKS)

Case: Quality Dilemma: A case of Deco Ltd

It was a chilly Monday morning of January 2017 when the managing director of Deco Ltd received a call from a Mr. Joginder, a long time loyal customer who began his business with a trade credit from Deco Ltd. Since then Mr. Joginder has only know Deco as the source of his merchandise for his customers who in turn have been giving him good feedback on the quality of goods and services they have been receiving from his shop. However, on this particular Monday, Mr. Joginder received many and consistent complaints on the products. He then concluded that the problem is not isolated and is serious. It is at this point when he decided to escalate it to his source of product. "Hello Joe" he said over the phone. Joe is the Deco Ltd managing director. "Hello brother Joginder, what do I owe your early call today?" Joe greeted and queried. "What did your boys do this time?" Joginder asked. "My customers are hitting the roof, they are complaining of quality for the last batch you supplied to us." reported by Joginder. "What!" Joe wondered. "We must have been messed up by our new vendor from Middle East". Joe explained. "How many have complained?" He asked. "Quite many and from different parts." Joginder answered. "Okay, I will come back to you in a while". Joe stated and disconnected the phone. As soon as his phone was down, the customer care manager burst in with a battered face. "What is it Hellen?" He asked. "Our phones are getting hot with piped complains about the quality of our product". Hellen answered. "I see. I have just talked to Joginder on the same." He reported. "We have been messed up by the new

vendor and we failed miserably.” he plainly stated. “Summon a meeting in my office immediately, call all managers.” Joe directed Hellen.....

Required:

- a) In the case Joe stated “we failed miserably”. In your opinion, what **five** possible procurement actions Joe and his team failed to perform that could have resulted on the quality complaints? (10 marks)
- b) Discuss **five** possible quality assurance strategies Deco Ltd may apply to solve the issue in the case. (10 marks)
- c) Explain **two** major issues Deco Ltd is likely to encounter as a result of selling poor quality products (**4 marks**)
- d) Explain **three** possible failures by Deco’s vendor in the case. (6 marks)

QUESTION TWO (20 MARKS)

- a) Discuss **five** importance of Supplier Quality Management concept to manufacturing industry in Kenya. (10 marks)
- b) State **five** objectives of Supplier Quality Management to agri-business sector in Kenya (10 marks)

QUESTION THREE (20 MARKS)

- a) Explain **five** Best Practices in Supplier Quality Management (10 marks)
- b) Discuss **five** roles of a buyer/ purchaser in managing supplier Quality (10 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss **five** reasons for developing Suppliers for strategic material by a number of firms in Kenya. (10 marks)
- b) Explain any five dimensions of quality as used by construction firms in Nairobi County. (10 marks)

QUESTION FIVE (20 MARKS)

- a) State five measures of supplier performance in retail industry in Machakos town (10 marks)
- b) Discuss five benefits of quality assurance for suppliers of critical items to a manufacturing firm based in Athi River. (10 marks)