

Name \_\_\_\_\_ Index No. \_\_\_\_\_ / \_\_\_\_\_

2906/203

Candidate's Signature \_\_\_\_\_

SUPPLY AND TRANSPORT MANAGEMENT

July 2015

Date \_\_\_\_\_

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

**DIPLOMA IN BUSINESS MANAGEMENT  
MODULE II**

SUPPLY AND TRANSPORT MANAGEMENT

3 hours

**INSTRUCTIONS TO CANDIDATES**

*Write your name and index number in the spaces provided above.*

*Sign and write the date of examination in the spaces provided above.*

*This paper consists of **SEVEN** questions.*

*Answer any **FIVE** questions in the spaces provided in this question paper.*

*All questions carry equal marks.*

*Do **NOT** remove any pages from this question paper.*

*Candidates should answer the questions in English.*

**For Examiner's Use Only**

Question	1	2	3	4	5	6	7	TOTAL SCORE
Candidate's Score								

**This paper consists of 16 printed pages.**

**Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.**

1. (a) Some organizations create a transport department in their structure. Highlight the role played by the department. (10 marks)
- (b) Highlight the disadvantages of using sampling method when inspecting a consignment of incoming goods in an organization. (10 marks)
2. (a) Nalia Company Limited is preparing to export a big consignment. Explain the role that the company's transport department is expected to play to facilitate the outgoing shipment. (10 marks)
- (b) Nyali Company Limited have decided to outsource transport services for their operations. Explain the factors which could have influenced the organization to make such a decision. (10 marks)
3. (a) One of the costs considered in determination of Economic Order Quality (EOQ) of a firm is the inventory carrying costs. Outline the elements which constitute these costs. (10 marks)
- (b) Highlight five operational features that distinguish carrier transporters from non carrier transporters. (10 marks)
4. (a) Kiki manufacturers have decided to use a public warehouse for storage of their goods. Highlight the advantages that may accrue to Kiki Manufacturers from this decision. (10 marks)
- (b) Highlight the ways in which the value of a commodity influences the mode of transport used for the commodity. (10 marks)
5. (a) Explain the disadvantages of using open tendering method in procuring materials for an organization. (10 marks)
- (b) Chanua Company Limited intends to supply goods to a foreign buyer. Outline the factors that the company should consider when determining the preservation method for the goods in transit. (10 marks)
6. (a) Towa, a transport company is in the process of constructing a warehouse within their premises. Outline the safety precautions that the company should consider to ensure the safety of staff in the warehouse. (10 marks)
- (b) Peleka clearing and forwarding firm is in the process of designing a stores layout. Highlight the features that the layout should have. (10 marks)
7. (a) Explain the benefits that may accrue to an organization that adopts the bar coding method for its materials. (10 marks)
- (b) The government of Kenya intends to construct a standard gauge railway line to link the port of Mombasa to the border town of Malaba. Explain the importance of the railway line to the transport sector in the country. (10 marks)