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SUPPLY AND TRANSPORT
MANAGEMENT
July 2016
Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN BUSINESS MANAGEMENT

MODULE II

SUPPLY AND TRANSPORT MANAGEMENT

3 hours

INSTRUCTIONS TO CANDIDATES

*This paper consists of SEVEN questions.
Answer any FIVE questions in the answer booklet provided.
All questions carry equal marks.
Candidates should answer the questions in English.*

This paper consists of 2 printed pages.

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

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Turn over

1. (a) Explain ways in which the transport section at Bondeni Company Limited may frustrate the efforts of supply department from achieving its objectives in the organization. (10 marks)
- (b) Lela Company Limited has contracted a consultant to recruit a purchasing officer. Highlight **five** competencies that the purchasing officer should possess. (10 marks)
2. (a) Obsolescence is an element of cost associated with stockholding. Highlight **five** causes of obsolescence in stockholding. (10 marks)
- (b) Mr. Chore has been hired as a transport manager in a large freight firm. Highlight the duties he will be expected to perform. (10 marks)
3. (a) A materials inspection and acceptance committee has rejected an entire consignment delivered by a supplier. Highlight the reasons that may account for the rejection. (10 marks)
- (b) Uma distribution firm has decided to market its products in a new market. Explain the logistical factors that the firm should consider when designing its transportation system. (10 marks)
4. (a) ^{movement} One of the aspects considered during supplier evaluation is the past performance record of a supplier. Explain the significance of evaluating supplier past performance. (10 marks)
- (b) Mrs. Hama has disagreed with a supplier regarding the packages of a delivered consignment. Highlight **five** aspects of the package that may have caused the disagreement. (10 marks)
5. (a) The bin card is one of the records maintained in a warehouse. Highlight **five** purposes served by this record. (10 marks)
- (b) The purchasing officer at Kaka Transport Company is undertaking the exercise of classifying materials in the Company. Explain the advantages of the classification. (10 marks)
6. (a) Tembea Company Limited has decided to outsource its transport function to a third party operator. Highlight the reasons that may have influenced the company to make the decision. (10 marks)
- (b) Wacu Company Limited has been experiencing frequent pilferage of stock items in its warehouse. Explain the measures which the management may take to minimise such incidents. (10 marks)
7. (a) Some organizations prefer the use of horse shoe stores layout in their operations. Highlight the reasons that may account for this preference. (10 marks)
- (b) Outline **five** roles of the Vehicle inspection unit in Kenyan road transport regulation. (10 marks)

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