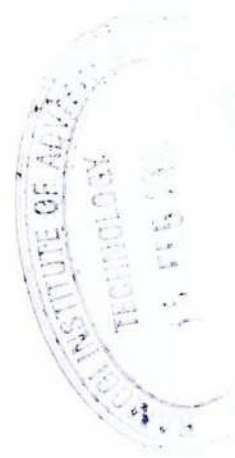


| Code         | Sub-Module Units  | Content   | Time (Hours) |
|--------------|---|---|--------------|
| 7.1.08       | Physical Distribution   | <ul style="list-style-type: none"> <li>• Meaning of physical distribution</li> <li>• Components of physical distribution</li> <li>• Importance of physical distribution</li> <li>• Factors considered in selecting transportation mode</li> <li>• Documents used to facilitate transportation of goods</li> </ul> | 12           |
| 7.1.09       | Emerging Issues and Trends in supply chain management and purchasing principles | <ul style="list-style-type: none"> <li>• Emerging issues and trends</li> <li>• Challenges posed by emerging issues and trends</li> <li>• Coping with challenges posed by emerging issues and trends</li> </ul>  | 4            |
| <b>Total</b> |   |   | <b>100</b>   |



|         |  |  |  |
|---------|--|--|--|
| 7.1.01  | <b>SUPPLY CHAIN MANAGEMENT AND PURCHASING FUNCTION</b>   | 7.1.01C  | <b>Competence</b><br>The trainee should have the ability to relate functionally with other departments in an organisation  |
|         | <b>Theory</b>  |  |  |
| 7.1.01T | <i>Specific Objectives</i><br>By the end of the module topic, the trainee should be able to:<br>a) define the common terms used in supply chain management<br>b) explain the importance of supply chain management in the business operations<br>c) discuss elements of supply chain management<br>d) discuss between strategic and operational decisions<br>e) explain the meaning of purchasing and procurement<br>f) highlight the importance of the purchasing function in an organisation<br>g) outline the objectives of the purchasing function<br>h) discuss the internal structure of the purchasing department<br>i) discuss the relationship between the purchasing department and other departments in an Organisation | 7.1.01T1<br>7.1.01T2<br>7.1.01T3<br>7.1.01T4<br>7.1.01T5<br>7.1.01T6<br>7.1.01T7 | <i>Content</i><br><br>Definition of terms<br>Importance of supply chain management<br>Elements of supply chain management<br>- Production<br>- Supply<br>- Inventory<br>- Physical distribution<br>- Information flow<br>Supply chain management decisions<br>- Strategic decisions<br>- Operational decisions<br>Meaning of Purchasing and Procurement<br>Importance of the purchasing function<br>- Cost reduction<br>- Competitive advantage<br>- Continuous availability of supplies<br>Objectives of the purchasing department<br>- Right quality<br>- Right time<br>- Right quantity<br>- Right price<br>- Right place |



- 7.1.0118 Internal Organisation of purchasing department
- Vertical
  - Horizontal
- 7.1.0119 Relationships between purchasing department and other departments
- Production
  - Finance
  - Marketing
  - Warehousing
  - Research and development
  - Human resource

- Suggested Teaching/Learning Resources*
- Text books
  - Magazines
  - Manuals
  - Resource persons

- Suggested Teaching/Learning Activities*
- Group discussion
  - Debates
  - Role play
  - Question and Answer

**Practice**

7.1.01P *Specific Objectives*  
By the end of the sub-module unit, the trainee should be able to:

- a) discuss the meaning and elements of supply chain management in small groups
- b) illustrate the organisation structure of the purchasing department.

- Suggested Evaluation Methods*
- Terminal examination
  - Report Writing
  - Question and Answer

7.1.02

**QUALITY AND QUANTITY DETERMINATION**

**Theory**

7.1.02T

*Specific Objectives*  
By the end of the module topic, the trainee should be able to:

- a) explain the meaning of the terms quality and quantity
- b) explain the factors considered in determining the quality of materials
- c) highlight the purpose of specifying materials

7.1.01P1 *Content*  
Group discussions on meaning and elements of supply chain management

7.1.01P Drawn organisational structure illustrations of the purchasing department on manila papers

easyvet.com

- d) describe the features of a good specification
- e) explain methods of materials specification
- f) explain factors considered in determining quantity of materials to buy
- g) explain the methods used in determining quantity to buy.

7.1.02T6

- Factors determining quantity to buy
- Demand
  - Inventory policy
  - Independent/dependence demand
  - Service level
  - Market condition
  - Production method

7.1.02T7

- Methods used in determining quantity to buy
- Economic order quantity (EOQ)
  - Simple average

7.1.02C

**Competence**

The trainee should have the ability to:

- i) accurately specify materials
- ii) accurately determine the quantity to buy

*Content*

7.1.02T1

Meaning of quality and quantity

7.1.02T2

Factors in determining the quality of materials

- Durability
- Performance
- Reliability
- Serviceability
- Conformance

7.1.02T3

Purpose of specification

- Comparison
- Fitness of purpose
- Communication
- Evidence

7.1.02T4

Features of good specification

7.1.02T5

Methods of materials specification

7.1.02P

**Practice**

*Specific Objectives*

By the end of the sub-module unit, the trainee should be able to:

- a) prepare quality specification
- b) compute economic order quantity.

*Content*

7.1.02P1

Quality specification

7.1.02P2

Economic order quantity

*Suggested*

*Teaching/Learning Resources*

- Text books
- Manuals
- Resource persons

|         |  |          |   |
|---------|--|----------|---|
|         | <p><i>Suggested Teaching Learning Activities</i></p> <ul style="list-style-type: none"> <li>- Group discussion</li> <li>- Role play</li> <li>- Question and Answer</li> </ul>  | 7.1.04C  | <p><b>Competence</b></p> <p>The trainee should have the ability to accurately determine price and lead time for materials</p>   |
|         | <p><i>Suggested Evaluation Methods</i></p> <ul style="list-style-type: none"> <li>- Terminal examination</li> <li>- Report Writing</li> <li>- Oral presentations</li> </ul>  | 7.1.03T1 | <p><i>Content</i></p> <p>Meaning price and time</p>   |
| 7.1.03  | <p><b>DETERMINATION OF PRICE AND RIGHT TIME TO BUY</b></p> <p><b>Theory</b></p>  | 7.1.03T2 | <p>Importance of determining price of materials</p>   |
|         |  | 7.1.03T3 | <p>Factors that influence prices of materials</p> <ul style="list-style-type: none"> <li>- Market conditions</li> <li>- Quality of materials</li> <li>- Availability of materials</li> <li>- Prices of alternative materials</li> </ul> |
| 7.1.03T | <p><i>Specific Objectives</i></p> <p>By the end of sub-module, the trainee should be able to:</p> <ol style="list-style-type: none"> <li>a) explain the meaning of price and time</li> <li>b) explain the importance of determining the price of materials in the market</li> <li>c) highlight the factors that influence the prices of materials in the market</li> <li>d) explain the methods of pricing materials in the market</li> <li>e) explain the factors in determining the right time to buy materials</li> <li>f) distinguish lead time from delivery time.</li> </ol> | 7.1.03T4 | <p>Methods of pricing materials</p> <ul style="list-style-type: none"> <li>- Fixed pricing</li> <li>- Cost pricing</li> <li>- Variation pricing</li> </ul>  |
|         |  | 7.1.03T5 | <p>Factors in determining right time to buy</p> <ul style="list-style-type: none"> <li>- Lead time</li> <li>- Re order level</li> <li>- Availability in the market</li> </ul>   |
|         |  | 7.1.03T6 | <p>Distinction between lead time and delivery time</p>  |
|         |  | 7.1.03P  | <p><b>Practice</b></p> <p><i>Specific Objective</i></p> <p>By the end of the sub-module unit, the trainee should be able to discuss methods used in pricing materials</p>   |

*Content*  
Methods used in  
pricing materials

*Suggested  
Teaching/Learning  
Resources*

- Text books
- Manuals
- Resource persons

*Suggested  
Teaching/Learning  
Activities*

- Group discussion
- Role play
- Question and Answer

*Suggested  
Evaluation Methods*

- Terminal examination
- Report Writing
- Oral tests

7.1.04

### SOURCING

#### Theory

*Specific Objectives*  
By the end of the sub-  
module unit, the  
trainee should be able  
to:

- a) explain the meaning of sourcing
- b) highlight the factors to consider when determining the sources of supply
- c) identify the sources of information

7.1.04T

- d) explain types of sources of supply
- e) describe the methods of sourcing
- f) explain criteria for evaluating potential suppliers
- g) describe documents used in sourcing

#### Competence

The trainee should have the ability to use relevant documents in sourcing materials

#### Content

Meaning of sourcing  
Factors considered in determining the source of supply

Sources of information about potential suppliers

Types of sources of supply

- Local sourcing
- Foreign sourcing
- Advantages and disadvantages of sources of finance

Methods of sourcing

- Quotation
- Tendering
- Request for proposals
- Advantages and disadvantages of sourcing

Criteria for evaluating potential suppliers

- Technical
- Financial

7.1.04C

7.1.04T1

7.1.04T2

7.1.04T3

7.1.04T4

7.1.04T5

7.1.04T6

|          |  |               |   |
|----------|--|---------------|---|
| 7.1.04T7 | Documents used in sourcing<br>- purchase requisition<br>- quotation forms<br>- tender forms<br>- tender/quotation evaluation forms<br>- suppliers' list            |               | <i>Suggested Evaluation Methods</i><br>- Report Writing<br>- Question and Answer  |
|          | <b>Practice</b>  | <b>7.1.05</b> | <b>ORDERING PROCEDURE</b>   |
|          | <i>Specific Objectives</i><br>By the end of the sub-module unit, the trainee should be able to:<br>a) prepare sourcing documents<br>b) evaluate tenders/quotations | 7.1.05T       | <i>Specific Objectives</i><br>By the end of the sub-module unit, the trainee should be able to:<br>a) explain the importance of following the ordering procedure<br>b) explain the<br>c) types of orders<br>d) describe the purchasing/ordering procedure<br>e) describe documents involved in the ordering procedure |
| 7.1.04P1 | <i>Content</i><br>Sourcing documents   | 7.1.01C       | <b>Competence</b><br>The trainee should have the ability to prepare relevant ordering documents involved in ordering materials.   |
| 7.1.04P2 | Case study on tender/quotation evaluation  | 7.1.05T1      | <i>Content</i><br>Importance of following the purchasing procedure  |
|          | <i>Suggested Teaching/Learning Resources</i><br>- Text books<br>- Magazines<br>- Manuals<br>- Resource persons   |               |   |
|          | <i>Suggested Teaching/Learning Activities</i><br>- Group discussion<br>- Debates<br>- Role play<br>- Question and Answer   |               |   |

|          |   |         |  |
|----------|---|---------|--|
| 7.1.05T2 | Types of orders<br>- Small orders versus large orders<br>- Standing orders<br>- Single item orders<br>- Call-off orders<br>- Advantages and disadvantages types of orders                               |         | - Text books<br>- Magazines<br>Resource persons<br><i>Suggested Teaching/Learning Activities</i><br>- Group discussion<br>- Debates<br>- Role play<br>- Question and Answer  |
| 7.1.05T3 | Purchasing /ordering procedure  |         | <i>Suggested Evaluation Methods</i>  |
| 8.1.5T4  | Documents involved in ordering/purchasing procedure<br>- Purchase order/local<br>- Purchase register<br>- Acknowledgement note<br>- Quotation   | 7.1.06  | - Terminal examination<br>- Report Writing<br>- Question and Answer  |
|          | <b>Practice</b>   |         | <b>RECEIVING AND INSPECTION OF GOODS</b>   |
| 8.1.5P   | <i>Specific Objectives</i><br>By the end of the sub-module unit, the trainee should be able to.<br>a) illustrate the purchasing/ordering procedure<br>b) prepare documents involved in ordering process | 7.1.06T | <b>Theory</b><br><i>Specific Objectives</i><br>By the end of the sub-module unit, the trainee should be able to.<br>a) explain the meaning of receiving and inspection<br>b) identify documents used in receipt and inspection process<br>c) describe steps followed in receipt and inspection of incoming goods<br>d) explain the importance of inspecting incoming goods<br>e) explain methods used in inspecting incoming goods |
| 7.1.05P1 | <i>Content</i><br>Illustration of the purchasing/ordering procedure   |         |  |
| 7.1.05P2 | Preparation of ordering documents   |         |  |
|          | <i>Suggested Teaching/Learning Resources</i>  |         |  |



|          |  |          |   |
|----------|--|----------|---|
|          | f) discuss options of treating rejected goods  | 7.1.06P  | <b>Practice</b>   |
| 7.1.06C  | <b>Competence</b><br>The trainee should have the ability to carry out receipt and inspection of incoming materials in an organisation. |          | <i>Specific Objectives</i><br>By the end of the sub-module unit, the trainee should be able to:       |
| 7.1.06T1 | <i>Content</i><br>Meaning of receiving and inspection of goods   |          | a) prepare relevant documents during receiving and inspecting incoming materials                      |
| 7.1.06T2 | Documents used in receipt and inspection process   |          | b) demonstrate inspection of incoming goods using different methods                                   |
|          | - Advice Note  | 7.1.06P1 | <i>Content</i><br>Preparation of relevant documents during receiving and inspection of incoming goods |
|          | - Copy Of Order  |          | Demonstration on inspection of incoming goods using different methods                                 |
|          | - Consignment Note   | 7.1.06P2 |   |
|          | - Delivery Note  |          | <i>Suggested Teaching/Learning Resources</i>  |
|          | - Inspection Certificate   |          | - Text books  |
|          | - Goods Inwards Register/Book  |          | - Manuals   |
|          | - Goods Received Voucher (Grv)   |          | - Resource persons  |
| 7.1.06T3 | - Rejection/Damage/Discrepancy Notes   |          | <i>Suggested Teaching/Learning Activities</i>   |
|          | Steps in receipt and inspection of incoming goods  |          | - Group discussion  |
| 7.1.06T4 | Importance of inspecting incoming goods  |          | - Debates   |
| 7.1.06T5 | Methods used to inspect incoming goods   |          | - Question and Answer   |
| 7.1.06T6 | Options of treating rejected goods   |          |   |
|          | - Outright rejection   |          |   |
|          | - Replacement  |          |   |
|          | - Resourcing   |          |   |
|          | - Reduction in price   |          |   |

|          |  |          |  |
|----------|--|----------|--|
|          | <i>Suggested Evaluation Methods</i>  |          |  |
|          | - Report Writing   |          | - Invoice  |
|          | - Term papers  |          | - Goods received note  |
| 7.1.07   | <b>PAYMENT PROCEDURE</b>   | 7.1.07I3 | - Advice note  |
|          | <b>Theory</b>  |          | - Inspection certificate   |
| 7.1.07T  | <i>Specific Objectives</i>   |          | - Packing note   |
|          | By the end of the sub-module unit, the trainee should be able to:                  |          | Methods of payments  |
|          | a) explain the meaning of the terms payment  |          | - Cash on order  |
|          | b) identify documents used in the process of paying for purchased goods            | 7.1.07T4 | - Cash on delivery   |
|          | c) explain the methods used to pay for purchased goods                             | 7.1.07P  | - Credit   |
|          | d) explain the purpose of a commitment register                                    |          | - Installment method   |
|          |  |          | - Telegraphic money order  |
|          |  |          | - Money orders   |
|          |  |          | - Travelers cheques  |
|          |  |          | - ATM  |
|          |  |          | - M-pesa/Zap   |
|          |  |          | - Advantages and disadvantages of payment methods  |
|          |  |          | Commitment register  |
|          |  |          | <b>Practice</b>  |
|          |  |          | <i>Specific Objective</i>  |
|          |  |          | By the end of the sub-module unit, the trainee should be able to assemble relevant documents to facilitate payment for purchased goods |
| 7.1.07C  | <b>Competence</b>  |          | <i>Content</i>   |
|          | The trainee should have the ability to identify documents used in payment of goods | 7.1.07P1 | Assembling documents that facilitate payment of purchased goods.   |
| 7.1.07T1 | <i>Content</i>   |          | <i>Suggested Teaching/Learning Resources</i>   |
| 7.1.07T2 | Meaning of payment   |          | - Text books   |
|          | Documents used in the process of paying for purchased goods                        |          | - Manuals  |
|          | - Copy of purchase order   |          | - Resource persons   |

|         |   |   |   |
|---------|---|---|---|
|         | <p><i>Suggested Teaching/Learning Activities</i></p> <ul style="list-style-type: none"> <li>- Group discussion</li> <li>- Debates</li> <li>- Question and Answer</li> </ul>   | 7.1.08C   | <p>f) identify documents used to facilitate transportation of goods</p>   |
|         | <p><i>Suggested Evaluation Methods</i></p> <ul style="list-style-type: none"> <li>- Report Writing</li> <li>- Oral tests</li> </ul>   |   | <p><b>Competence</b><br/>The trainee should have the ability to:</p> <ul style="list-style-type: none"> <li>i) assemble relevant documents used to facilitate transportation of goods</li> <li>ii) Select appropriate mode of transport.</li> </ul>   |
| 7.1.08  | <p><b>PHYSICAL DISTRIBUTION</b></p> <p><b>Theory</b></p>  |   |   |
| 7.1.08T | <p><i>Specific Objectives</i><br/>By the end of the sub-module unit, the trainee should be able to:</p> <ul style="list-style-type: none"> <li>a) explain the meaning of physical distribution</li> <li>b) identify the components of physical distribution</li> <li>c) explain the importance of physical distribution to an Organisation</li> <li>d) explain the modes of transportation</li> <li>e) explain the factors to be considered in the selection of the mode of transportation</li> </ul> | <p>7.1.08T1</p> <p>7.1.08T2</p> <p>7.1.08T3</p> <p>7.1.08T4</p> <p>7.1.08T5</p> <p>7.1.08T6</p> | <p><i>Content</i></p> <p>Meaning of physical distribution</p> <p>Components of physical distribution</p> <ul style="list-style-type: none"> <li>- Purchasing</li> <li>- Warehousing</li> <li>- Stock control</li> <li>- Materials handling</li> <li>- Packaging</li> <li>- Transportation</li> <li>- Information flow</li> </ul> <p>Importance of physical distribution</p> <p>Modes of transportation</p> <ul style="list-style-type: none"> <li>- Air</li> <li>- Sea/water way</li> <li>- Road</li> <li>- Railway</li> <li>- Pipeline</li> </ul> <p>Factors to be considered in selecting transportation mode</p> <p>Documents used to facilitate transportation of goods</p> |