

2903/107

**WAREHOUSING OPERATIONS
AND STOCK CONTROL**

July 2017

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL
DIPLOMA IN SUPPLY CHAIN MANAGEMENT
MODULE I

WAREHOUSING OPERATIONS AND STOCK CONTROL

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.

1. (a) Explain **five** challenges that may be faced in a warehouse when using an inappropriate stock location system. (10 marks)
- (b) Highlight **five** factors the receiving clerk should take into account before unloading a consignment from a supplier. (10 marks)
2. (a) Outline **five** ways in which an organisation may classify its materials for coding. (10 marks)
- (b) Outline **five** roles played by warehousing section to the production department. (10 marks)
3. (a) Outline **five** salient features of a good stores layout, (10 marks)
- (b) It is the practice in warehousing operations to prepare several copies of Material Issue Notes for distribution to various sections in an organisation. Explain **five** uses of such copies. (10 marks)
4. (a) Uzima Company Limited has been using secondary packaging for its products. Explain **five** reasons that could have led to the practice. (10 marks)
- (b) Explain **five** factors that an organisation may consider before determining the amount of stock to hold. (10 marks)
5. (a) Bondeni Company Limited carries out materials preservation in its warehouses. Explain the benefits of this practice to its customers. (10 marks)
- (b) Explain the importance of safety practices in a warehouse. (10 marks)
6. (a) Explain **five** benefits that an organization may derive from maintaining accurate stock records. (10 marks)
- (b) Mapema Company Limited, a manufacturing firm, has adopted a mechanical handling system for its materials. Explain **five** reasons that could have led to the decision. (10 marks)
7. (a) Highlight **five** assumptions underlying the use of Economic Order Quantity (EOQ) model of inventory control. (10 marks)
- (b) Explain **five** reasons that may make it necessary to use a team in a stocktaking exercise. (10 marks)

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