

2903/107

**WAREHOUSING OPERATIONS AND  
STOCK CONTROL**

**November 2018**

**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  
both pages are printed as indicated and that no questions are missing.**

1. (a) Outline the reasons that may influence an organisation to hire a warehouse instead of constructing one. (10 marks)
- (b) Explain the measures that an organisation may take to prevent accidents in its warehouses. (10 marks)
2. (a) Highlight the nature of preparations that a warehouse officer should make in readiness for materials issuing exercise. (10 marks)
- (b) Outline the disadvantages to an organisation of using the periodic method of stock taking. (10 marks)
3. (a) Explain the measures that a warehouse officer may take to enhance effectiveness of inspection of goods delivered by a supplier. (10 marks)
- (b) Highlight the reasons that may influence an organisation to prefer the manual stock recording instead of computerising such records. (10 marks)
4. (a) Highlight the features of a good materials coding system. (10 marks)
- (b) Explain the factors that may influence an organisation's choice of stock control method in its inventory management. (10 marks)
5. (a) An efficient stock location system brings certain benefits to an organisation. Outline such benefits. (10 marks)
- (b) The following information relates to product X.  
  
Monthly consumption is 1500 units  
The price of product X is 120/=  
The ordering cost is 50/= and  
The cost of carrying is 10% of the unit price.  
  
Required:  
(i) Calculate EOQ for product X. (5 marks)
- (ii) Determine the frequency of ordering product X in a year. (5 marks)
6. (a) Outline the features of a good stores layout. (10 marks)
- (b) Jackeez Limited has acquired a new crane for use in its operations. Highlight the measures that may be taken to ensure optimum utilization of the crane. (10 marks)
7. (a) Explain the challenges that an organisation may experience when using refrigeration as a method of preserving materials. (10 marks)
- (b) Explain the ways in which packaging may enhance efficiency of operations in a warehouse. (10 marks)

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