

2903/107

**WAREHOUSING OPERATIONS AND STOCK CONTROL**

**November 2021**

**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) Outline **five** types of information that the production department should provide to the warehouse department in order to enhance efficiency in a manufacturing firm. (10 marks)
- (b) Weko Limited has been experiencing increased incidents of dispatching wrong goods to customers by the stores staff in the recent past. Explain **five** reasons that may account for this situation. (10 marks)
2. (a) Highlight **five** types of goods that may be received at a warehouse from the internal sources of an organization. (10 marks)
- (b) Many organisations are increasingly using the bar-coding method for identifying their goods. Explain **five** reasons that may account for this practice. (10 marks)
3. (a) Explain **five** benefits that may accrue to an organization from automating the stock location system in its warehouse operations. (10 marks)
- (b) Describe **five** features of a good stores layout. (10 marks)
4. (a) Ponge supermarket has been operating without proper stores preservation methods. Explain **five** adverse consequences that this situation may pose to the supermarket. (10 marks)
- (b) Explain **five** reasons that may have influenced some companies to prefer metallic drums for packaging of their products in Kenya. (10 marks)
5. (a) A proposal by a stores officer to purchase a fork-lift truck to handle goods at Uwezo supermarket has been rejected by the top management. Outline **five** reasons that may account for the rejection. (10 marks)
- (b) Explain **five** circumstances under which an organisation may find it necessary to develop materials codes for its goods. (10 marks)
6. (a) The annual demand for products X is 5000 units. The unit price for the products is Ksh 1,000 and the cost of placing an order is Ksh 50. The stockholding cost is 10% of the unit price. Calculate the:
  - (i) Economic Order Quantity (EOQ); (5 marks)
  - (ii) Number of order per year. (3 marks)
- (b) Explain **six** disadvantages to an organisation that uses non-computerized stock recording activities. (12 marks)
7. (a) Mr. Kabu is a storekeeper in-charge of a storehouse for Kako company. Outline **five** reasons why he may not be allowed to carry out a stock-taking exercise in such a capacity. (10 marks)
- (b) Explain **five** measures that an organisation may take to enhance safety of staff in warehousing operations. (10 marks)