

Name _____ Index No. _____ / _____

2903/203
 SUPPLY MANAGEMENT
 July 2015
 Time: 3 hours

Candidate's Signature _____

Date _____



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

SUPPLY MANAGEMENT

3 hours

INSTRUCTIONS TO CANDIDATES

Write your name and index number in the spaces provided above.

Sign and write the date of examination in the spaces provided above.

This paper consists of SEVEN questions.

Answer any FIVE questions in the spaces provided in this question paper.

All questions carry equal marks.

Do NOT remove any page from this question paper.

Candidates should answer the questions in English.

For Examiner's Use Only

Question	1	2	3	4	5	6	7	TOTAL SCORE
Candidate's Score								

This paper consists of 16 printed pages.

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

1. (a) Explain the challenges that a manufacturing company may face while controlling materials in its operations. (10 marks)
- (b) Highlight the role of the warehousing function in the supply logistics system of a distribution firm. (10 marks)
2. (a) Chale Distribution Company has been incurring high costs in its inventory management operations. Explain the measures that the company should take to minimize such costs. (10 marks)
- (b) An expert in supply chain management has been engaged by a large retail company to design a storage system. Explain the factors that the expert should consider when undertaking the task. (10 marks)
3. (a) Mr. Sitati is in the process of evaluating the overall performance of the materials handling system in Wiva manufacturing firm. Outline the indicators of efficiency in the system. (10 marks)
- (b) Highlight the ways in which containerization technique has contributed to the efficiency of operation in the supply logistics system. (10 marks)
4. (a) Ujuri Company Limited has engaged a consultant to design a physical distribution system for its operations. Outline the components that the consultant should include in the system. (10 marks)
- (b) Explain the factors that have hindered the exploitation of inland waterways as a mode of transport in Kenya. (10 marks)
5. (a) Wekina Company Limited intends to design an inventory control system. Highlight the factors that the company should consider when undertaking the task. (10 marks)
- (b) Describe the features of an efficient transport system in an economy. (10 marks)
6. (a) The management of Amiko Company Limited has received complaints from customers about the poor layout of its supermarkets. Outline the aspects of the layout that may account for such complaints. (10 marks)
- (b) Explain the benefits that a retail firm may derive from adopting an integrated materials handling system in its operations. (10 marks)
7. (a) Explain the challenges that an organization may face when evaluating the performance of its physical distribution system. (10 marks)
- (b) Explain the measures that should be taken to minimize costs associated with designing a packaging system in an organization. (10 marks)