

2903/203

SUPPLY MANAGEMENT

July 2019

Time: 3 hours



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

SUPPLY MANAGEMENT

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.

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Turn over

1. (a) Highlight **five** benefits that an organization may derive from outsourcing its logistics function. (10 marks)
- (b) Explain the internal challenges that a supply chain manager may face during inventory planning process. *lack of knowledge on inventory in stores* (10 marks)
2. (a) Highlight four limitations that an organization may face when planning for production in supply management. (8 marks)
- (b) Explain **six** factors to be considered when determining the stock holding levels in an organization. (12 marks)
- ✓ 3. (a) Highlight the disadvantages of using water as a mode of transport to an organization. (10 marks)
- (b) Explain the objectives of the warehousing function in an organization. (10 marks)
- ✓ 4. (a) Mr. Kizito, the distribution manager of Baraka Manufacturing Limited has been facing challenges when planning for distribution. Highlight **five** such challenges. (10 marks)
- (b) Highlight the material handling activities that a supplies officer may undertake when receiving a consignment from a supplier. (10 marks)
- ✓ 5. (a) Sema Limited has been experiencing inefficiencies in transport section. Highlight **five** likely internal causes of such inefficiencies. *PK* (10 marks)
- (b) Highlight **five** reasons that make it important for an organization to have a good store layout. (10 marks)
6. (a) Explain the ways in which packaging of goods may add value to the operations of an organization. (10 marks)
- (b) Explain **five** measures that an organization may put in place to ensure effective use of its material handling equipment. (10 marks)
7. (a) The supply manager at Tuko Limited has engaged in poor inventory management practices for sometime. Highlight the consequences that the organization may face from such a practice. (10 marks)
- (b) Highlight the benefits that may accrue to an organization that uses pallets for distribution operations. *1. Easy handling 1. Slow pick
2. impo 2. Stockouts
2. preservation* (10 marks)

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