

2903/203
SUPPLY MANAGEMENT
November 2021
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.

1. (a) A recent management report revealed existence of poor relationship between the supply and the finance departments at Bongo Limited. Explain five ways in which the finance department may have contributed to this situation. (10 marks)
- (b) Outline five factors that an organisation may consider when designing packaging materials for its goods. (10 marks)
2. (a) Outline five types of costs that constitute the total costs of acquisition of goods in an organisation. (10 marks)
- (b) The management of Chama Limited intends to prepare a distribution plan for their goods. Explain five internal factors that the management may consider when carrying out the task. (10 marks)
3. (a) Country X has been cited by the business community as having a poor transport system. Explain five ways in which such a system may adversely affect the economy of the country. (10 marks)
- (b) There are certain challenges that a supply manager may face when carrying out his duties in an organisation. Explain five such challenges. (10 marks)
4. (a) The management of Kanga Limited has recommended a change of packaging material initially used for a certain class of goods. Explain five reasons that may have influenced the management to make such a recommendation. (10 marks)
- (b) Some organisations are reluctant to adopt the integrated supply logistics system in their operations. Explain five reasons that may account for the reluctance. (10 marks)
5. (a) Bolo, a marketing agency has been operating without a formal distribution plan. Outline five adverse consequences to the agency from the omission. (10 marks)
- (b) A consultant engaged to design a stores layout has submitted the final plan to the management of Limbo Limited. Outline five features that such a design should possess for it to be effective. (10 marks)
6. (a) Doloth Limited has decided to design a materials handling system for its operations. Outline five objectives that such a system should be expected to achieve in the company. (10 marks)
- (b) Outline five roles that the purchasing department plays in enhancing efficiency in the stock control function of an organisation. (10 marks)
7. (a) Explain five advantages to an organisation that adopts the high density storage system in its warehouse operations. (10 marks)
- (b) Ms Jamaa was recently hired by Tuleco Limited as a materials controller. Outline five duties that she is be expected to perform in the company. (10 marks)

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