

2903/203
SUPPLY MANAGEMENT
July 2017
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 3 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) The management of Ukoo distribution firm is concerned about the poor relationship that has been witnessed in the recent past between the warehousing and the marketing departments. Outline the aspects of the warehousing function that may have contributed to the poor relationship. (10 marks)
- (b) A consultant has been hired by Faulo enterprises to audit the performance of its inventory control function. Outline the issues of inventory control which the consultant should cover when carrying out this task. (10 marks)
2. (a) Some distribution firms use third party warehouses instead of setting up their own facilities. Explain the advantages that may accrue to such firms from this practice. (10 marks)
- (b) Efficiency in a supply logistics system may be achieved by making trade-offs in various activities in the system. Highlight five trade-offs that should be made in the system. (10 marks)
3. (a) Explain the difficulties that a supply chain officer may face in an effort to match supply with demand in the operations of a manufacturing firm. (10 marks)
- (b) Polc distribution firm has completed the task of designing a stores layout. Describe desirable features that the stores layout should exhibit. (10 marks)
4. (a) Some distribution firms have adopted the integrated materials handling systems in their operations. Explain the benefits that may be derived from such systems. (10 marks)
- (b) The customs department of a European country has rejected goods exported into the country on account of deficiencies in their packaging. Outline the aspects of the packages that may account for the rejection of goods. (10 marks)
5. (a) Miss Fikira who was recently hired by Muvuko enterprises has been tasked to implement the operational distribution plan for the organization. Outline the activities she is expected to undertake when implementing the plan. (12 marks)
- (b) The crane is one of the equipment that a distribution firm may use to handle goods. Highlight the circumstances under which this equipment may be appropriate for use. (8 marks)
6. (a) Explain the ways in which the unit load concept may influence the design of packages for goods in a distribution system. (10 marks)
- (b) The transport function plays a critical role in promoting economic development in Kenya. Highlight the role of the function in this respect. (10 marks)

7. (a) Stakeholders have complained to the Government of Ajua about the increasing inefficiencies of the transport sector in the country. Explain the measures that the government should take to address this problem. (10 marks)
- (b) Jumble enterprises has been implementing its distribution plans without instituting a proper monitoring mechanism. Explain the adverse consequences to enterprise of this practice. (10 marks)

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