



# UNIVERSITY OF NAIROBI

MODULE II DEGREE PROGRAMME 2011/2012 (DAY GROUP)

SECOND YEAR EXAMINATIONS FOR THE DEGREE OF BACHELOR OF  
COMMERCE

DPS 202 : FUNDAMENTALS OF SUPPLY CHAIN MANAGEMENT

DATE: DECEMBER 19, 2012

TIME: 9.00 A.M. – 11.00 A.M.

## INSTRUCTIONS

1. This paper contains five questions.
2. You are required to attempt Question 1 and any other THREE questions.

### Question 1

Many organizations find themselves in the apparently contradictory position of having high levels of financial investment in inventory, but at the same time frequently running out of stock of important components and materials.

- (a) Explain how this situation could arise. (10 marks)
- (b) Explain how you would deal with this problem and prevent it from recurring. (15 marks)

### Question 2

- (a) Using hypothetical figures of your own discuss any three approaches to locating of facilities. (9 marks)
- (b) "Warehousing is a necessary evil". Discuss this statement with appropriate examples. (10 marks)
- (c) What is empty Backhaul management? What is its relevance in supply chain management? (6 marks)

### Question 3

- (a) Discuss the role of information communication technology in supply chain. (8 marks)
- (b) Explain the supply chain IT framework. (9 marks)
- (c) Using an illustration, explain how ABC technique is used in managing inventories. (8 marks)

**Question 4**

- (a) Discuss the term green procurement. How is it beneficial to organization. (15 marks)
- (b) Discuss economic significance of transportation in supply chain. (10 marks)

**Question 5**

- (a) Explain the role of supply chain management in an organization. (15 marks)
  - (b) Differentiate between continuous system and periodic system of inventory management. (10 marks)
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