



MOI UNIVERSITY

OFFICE OF THE CHIEF ACADEMIC OFFICER

UNIVERSITY EXAMINATIONS 2010/2011 ACADEMIC YEAR FOURTH YEAR SECOND SEMESTER EXAMINATION

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 447

COURSE TITLE: MATERIALS AND STORES MANAGEMENT

DATE: 26TH APRIL, 2011 **TIME:** 9.00 A.M. – 12.00 NOON

INSTRUCTION TO CANDIDATES

- SEE INSIDE.

THIS PAPER CONSISTS OF (2) PRINTED PAGES

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MATERIALS AND STORES MANAGEMENT

INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

QUESTION ONE

- a) Explain the major inventory management goals. (6 marks)
- b) Describe the information requirements of an MRP system. Comment on the challenge of maintaining timely, accurate information for a large manufacturing operation based on MRP. (10 marks)
- c) "The relationship between materials and other SBUs is critical for the success of an organization" (9 marks)

QUESTION TWO

- a) What do you understand by safety stock? Discuss the factors that are considered when determining safety stock. (5 marks)
- b) Discuss the various methods for valuation of stock (10 marks)

QUESTION THREE

Discuss the impact of information communication technology on materials management (15 marks)

QUESTION FOUR

- a) Briefly explain the procedures for rejecting materials. (5 marks)
- b) Materials management has evolved from tactical to strategic. Discuss. (10 marks)

QUESTION FIVE

- a) Highlight the difference between a fixed order system and periodic review system (6 marks)
- b) Explain how excessive inventories can erode corporate profitability. (9 marks)