



MUEO

MOI UNIVERSITY

OFFICE OF THE CHIEF ACADEMIC OFFICER

UNIVERSITY EXAMINATIONS

2009/2010 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER EXAMINATION

FOR THE DEGREE OF

BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 346

COURSE TITLE: INTRODUCTION TO LOGISTICS IN PURCHASING
AND SUPPLIES

DATE: 16TH NOVEMBER, 2009 **TIME:** 9.00 A.M. – 12.00 P.M.

INSTRUCTION TO CANDIDATES

- ANSWER ALL QUESTIONS IN SECTION A AND OTHER TWO IN SECTION B.

THIS PAPER CONSISTS OF (2) PRINTED PAGES

PLEASE TURN OVER

BBM 346 INTRODUCTION TO LOGISTICS IN PURCHASING AND SUPPLIES

Answer question ONE and ANY other THREE

QUESTION ONE

- a) Explain the major inventory management goals. Why should a firm consider profitability allocation as a goal? (15 marks)
- b) What impact does cost of carrying inventory show on the profit and loss statement of an enterprise. (10 marks)

QUESTION TWO

What is the role of freight broker? Do you think this will grow or decline in the future? (15 marks)

QUESTION THREE

Explain how material handling is important to integrated manager. (15marks)

QUESTION FOUR

Explain the concept of regionalization of world trade and describe how it affects logistical challenge and performance (15 marks)

QUESTION FIVE

Explain why a facility network structure requires greater flexibility for global operations compared to domestic operations. (15 marks)

QUESTION SIX

- a) Explain the economic justification of a warehouse. (6marks)
- b) Explain how Activity Based Costing (ABC) is applied in purchasing and supplies. (9 marks)