



MOI UNIVERSITY

OFFICE OF THE CHIEF ACADEMIC OFFICER

UNIVERSITY EXAMINATIONS

2009/2010 ACADEMIC YEAR

FOURTH YEAR SECOND SEMESTER EXAMINATION

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT.

COURSE CODE:

BBM 447

COURSE TITLE:

MATERIALS & STORES MNGT

DATE: 15TH SEPT. , 2010

TIME: 9.00 AM - 12.00 NOON.

INSTRUCTION TO CANDIDATES

- SEE INSIDE.

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SPECIAL/ SUPPLEMENTARY EXAMINATIONS

BBM 447: COURSE TITLE: MATERIALS & STORES MANAGEMENT

ANSWER ANY FOUR QUESTIONS

Q.1

- a) Describe the six types of inventory in a manufacturing organization. **(10 marks)**

- b) Explain the six requirements for an effective inventory management system. **(15 marks)**

Q.2

Discuss why an important rule of procurement is that the buyer must first identify the product, service, and/or supplier with the highest probability of being satisfactory in all aspects of the transaction and then achieve the lowest cost for that product or service with that supplier. Your answer should explain those aspects of the transaction which the company making the purchase has to consider. **(25 marks)**

Q.3

- a) Explain the four methods of pricing material issues in a manufacturing setting and comment on the advantages and disadvantages of each. **(15 marks)**

- b) Why is it necessary to make provision for obsolescence and deterioration of materials in the storehouse? **(10 marks)**

Q.4

- a) Describe briefly the A-B-C approach to inventory control and give an example of its use in improving operations. **(15 marks)**

- b) What is the difference between continuous review systems and periodic review systems? **(10 marks)**

Q.5

- a) Discuss three methods of measuring stores efficiency and the difficulties encountered in their application. **(10 marks)**

- b) A great deal of attention is being paid to quality in the industry today. How does the process the inspection ensures quality in the receipt of material?

Q.6

List and describe briefly the information requirements of an MRP system. Comment on the challenge of maintaining timely, accurate information for a large manufacturing operation based on MRP. **(15 marks)**