

**W1-2-60-1-6**

**JOMO KENYATTA UNIVERSITY**

**OF**

**AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2015/2016**

**FOURTH YEAR SECOND SEMESTER EXAMINATION FOR THE**

**DEGREE OF BACHELOR OF SUPPLY CHAIN MANAGEMENT**

 **HSM 2431: POLICIES IN TRANSPORT AND LOGISTICS**

**DATE: DECEMBER 2015 TIME: 2 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

1. Read the following case and answer the questions which follow.

Polls Enterprises

Poll Enterprises is a manufacturer of various cutlery products sold

in the local market. It has previously been distributing its products

through contracted channel intermediaries in different parts of the

country. Its logistics activities had also been scattered in different

departments such as production, marketing, finance etc. After it has

decided to consolidate all logistics activities into one distinct

department headed by a logistics manager. It has also decided to own

and manage its distribution channels in the market instead of contracting

out. Vehicle maintenance activities would also be done in-house.

Questions

1. Explain the advantages of the policy of centralizing

 logistics activities in one department. [8 marks]

1. Explain the disadvantages of contracting out distribution

 channels. [8 marks]

1. Explain the benefits of in-house vehicle maintenance policy. [8 marks]
2. Explain ways in which the centralized logistics department

 should support marketing department. [6 marks]

1. Transport and logistics policies should reflect the organizational

requirements.

1. Explain the steps which an organization should follow in

 developing its transport and logistics policies. [12 marks]

1. Explain the significance of such policies in transport and

 logistics operations. [8marks]

1. Discuss the role of inventory in logistics operations and policies

which could be pursued in order to maintain low levels of inventory

in a logistics system. [20 marks]

1. Discuss the aims and considerations involved in the selection of

appropriate channel of distribution in a logistics system. [20 marks]

1. Explain the process through which an organization could develop the

right customer service policy for its logistics function and the challenges

faced in the implementation of such a policy. [20 marks]