

**MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**P.O. Box 972-60200 – Meru-Kenya.**

**Tel: 020-2069349, 061-2309217. 064-30320 Cell phone: +254 712524293, +254 789151411**

**Fax: 064-30321**

**Website:** [**www.must.ac.ke**](http://www.must.ac.ke) **Email:** [**info@must.ac.ke**](mailto:info@must.ac.ke)

**University Examinations 2015/2016**

SECOND YEAR, FIRST SEMESTER EXAMINATION FOR THE DIPLOMA IN BUSINESS ADMINISTRATION, CERTIFICATE IN PURCHASING AND SUPPLY MANAGEMENT.

**BBD 2202: SUPPLIES AND MATERIALS MANAGEMENT II.**

**DATE: AUGUST 2016 TIME: 11/2 HOURS**

**INSTRUCTIONS: -** *Answer question* ***one*** *and any other* ***two*** *questions*

**QUESTION ONE (30 MARKS)**

1. Discuss the advantages of standardization. (5 marks)
2. Highlight the merits of fail transport. (5 marks)
3. What are the key advantages of outsourcing? (5 marks)
4. Discuss the main objectives of a good stores layout. (5 marks)
5. Analyze the relationship between the following departments:
6. Supplies and finance accounts department (3 marks)
7. Supplies and production department (2 marks)

**QUESTION TWO (20 MARKS)**

1. Discuss the key supply chain process. (14 marks)
2. Explain the reasons that lead to variety reduction. (6 marks)

**QUESTION THREE (20 MARKS)**

1. Discuss supplies management in different environment. (10 marks)
2. Explain the factors to consider in selecting a mode of transport. (10 marks)

**QUESTION FOUR (20 MARKS)**

1. Discuss the total cost of acquisition of materials. (10 marks)
2. Analyze the application of information technology in supplies and material management. (10 marks)

**QUESTION FIVE (20 MARKS)**

1. Discuss the factors to consider while buying capital goods. (10 marks)
2. Discuss the factors that determines the inventory policies. (10 marks)