**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.mucst.ac.ke**](http://www.mucst.ac.ke) **Email:** **info@mucst.ac.ke**

**University Examinations 2014/2015**

SECOND YEAR, FIRST SEMESTER EXAMINATION FOR DIPLOMA IN PURCHASING AND SUPPLIES MANAGEMENT.

**DPS 0324: SUPPLIES AND MATERIAL MANAGEMENT II**

**DATE: DECEMBER 2014 TIME: 1**$\frac{1}{2}$ **HOURS**

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

**QUESTION ONE (30 MARKS)**

1. Highlighting the main activities of supply chain management (8 marks)
2. Explain the term materials requirement planning (MRP)and state its objectives in supply chain (10 marks)
3. State advantages and disadvantages of road transport (10 marks)
4. Define standardization and variety reduction (2 marks)

**QUESTION TWO (20 MARKS)**

1. As a material management specialist, explain five precautions one will take when transporting hazardous products (10 marks)
2. What factors would you consider when buying capital asset (10 marks)

**QUESTION THREE (20 MARKS)**

1. Briefly explain some of the policies an organization would adopt to ensure efficient inventory management (10 marks)
2. Give reasons for holding stock (10 marks)

**QUESTION FOUR (20 MARKS)**

1. Briefly discuss the relationship between supply chain function with other departments in the organization (15 marks)
2. Highlight any five problems that can hinder good relationship between the departments (5 marks)

**QUESTION FIVE (20 M ARKS)**

1. Discuss three decision phases in supply chain (12 marks)
2. Write short notes on dependent and independent demand (8 marks)