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**University Examinations 2016/2017**

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

**BBD 2201: MATERIALS MANAGEMENT II**

**DATE: DECEMBER, 2016 TIME: 1½ HOURS**



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

**QUESTION ONE (30 MARKS)**

1. Differentiate with examples a dependent demand and independent demand inventory item. (4 Marks)
2. According to J.I.T proponents, why are inventories undesirable? (3 Marks)
3. Why should supply managers and marketing managers be best friends? (3 Marks)
4. Explain the following terms as used in materials management. (9 Marks)
5. Standardization
6. Logistics management
7. Inventory carrying cost
8. Using a well labeled diagram, explain the EOQ concept. (5 Marks)
9. Discuss various factors that govern safety stock levels. (6 Marks)

**QUESTION TWO (20 MARKS)**

1. Describe how a J.I.T production system works. (10 Marks)
2. Explain the evolution of MRP to MRP II systems. (10 Marks)

**QUESTION THREE (20 MARKS)**

1. Explain the benefits that may arise from integration of cross organization teams.

(10 Marks)

1. Discuss five major elements that make up the carrying cost of materials. (10 Marks)

**QUESTION FOUR (20 MARKS)**

1. Discuss areas that a supply management profession should consider when developing strategies for material cost reduction. (10 Marks)
2. Discuss the factors considered when selecting mode of transport by the materials manager. (10 Marks)

**QUESTION FIVE (20 MARKS)**

1. Elaborate the considerations put in place when choosing a store location. (10 Marks)
2. Highlight some ethical issues that a materials manager could encounter while carrying out his duties clearly indicating the remedy for each ethical issue raised. (10 Marks)