



MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

THIRD YEAR FIRST SEMESTER EXAMINATIONS FOR THE
DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION
(PROCUREMENT OPTION) WITH INFORMATION TECHNOLOGY

MAIN CAMPUS

ABA 335: SUPPLY CHAIN THEORY AND PRACTICES

Date: 12th February, 2018

Time: 8.30 -11.30 am

INSTRUCTIONS:

- Answer question ONE and any other THREE questions
- Question one carries 25 marks and the rest 15 marks each



QUESTION ONE COMPULSORY (25 Marks)

Kapital Bank Ltd. , a state owned Bank has its headquarters in Nairobi and operates 80 branches in East Africa region. Ten branches are currently housed in rented premises. The branch manager have complained of security risk and suggested that new stand –alone facilities be acquired by the bank. Also ten other branches are in dire need of facelift plus traffic access control facilities. An initial estimate indicates that each new branch would cost about sh. 50,000,000 while refurbishing each of the ten branches would cost sh. 2,000,000.

The board of Management recently approved a proposal from the facilities management department to carry out a facelift in the ten branches. Also new banking facilities will be put up to replace the rented premise of over a 5 year period, with two premises being constructed each year. The project should commence next year, the biggest challenge being whether to use local constructors or to outsource the service from outside the country.

Kapital Bank is however wondering of how the existing supplies chain inefficiencies currently within their system can impact on the procurement process of various items and materials needed, they consider various drivers that they could adopt to move the procurement activities to a higher level. Having graduated from Maseno University with Degree in Business administration, management science in procurement, you have recently been employed by Kapital Ltd. Bank as the Supplies chain officer.

Required:

- (a) (i) Identify **five** possible Supplies inefficiencies Kapital Bank is likely to experience (5marks)
(ii) Explain how supplies management triangle would be applicable in this case to solve existing problems. (6marks)
- (b) Explain why the cost of each branch may end up exceeding Ksh. 50,000,000 on completion and handover of the project. (6marks)
- (c) Suggest **the best** nature of procurement that Kapital Bank should undertake? Justify. (5marks)
- (d) Highlight **three** external supplies activities that you would undertake to improve the supplies chain operations within this Bank (3marks)

QUESTION TWO (15 Marks)

- (a) Explain **four** salient features of a Best in Class Supply Chain Organization (8marks)
- (b) Outline **seven** rights of procurement for an organization of your choice (7marks)

QUESTION THREE**(15 Marks)**

- (a) Mr. Adonijah works in a public company that specializes in the Supply of soft drinks to five star hotels within Kisumu city. Identify **five** key stakeholders that influences supply chain activities and practices of Mr. Adonijah **(5marks)**
- (b) Discuss procurement environments under the following sub headings:
- (i) Internal Environment and its components **(5marks)**
 - (ii) External Environment and its components **(5marks)**

QUESTION FOUR**(15 Marks)**

- (a) Using a hypothetical organization, discuss how Michael Porter's five forces model could be used to analyze an organizations supply chain environment **(10marks)**
- (b) Identify **five** challenges commonly addressed by supply chain managers **(5marks)**

QUESTION FIVE**(15 Marks)**

- (a) Explain how an organization involved in production of fast moving consumer goods might use the supply positioning model to determine the type of engagement with suppliers **(7marks)**
- (b) Discuss evolution of supplies chain under the following periods, identifying the main developments
- (i) Creation era **(2marks)**
 - (ii) Integration Era **(2marks)**
 - (iii) Globalization Era **(2marks)**
 - (iv) Specialization Era **(2marks)**