

THE KENYA NATIONAL EXAMINATION COUNCIL

DIPLOMA IN BUSINESS MANAGEMENT

MODULE TWO

2906/203

SUPPLY AND TRANSPORT MANAGEMENT

3 hours

1. (a) Highlight five duties of a stores supervisor in a supply department of an organisation. **(10 marks)**

(b) Contract Management is one of the stages in the purchasing procedure for goods. Highlight five advantages to an organisation of contract management. **(10 marks)**
2. (a) One of the stock control technique used by organization is the Economic Order Quantity (EOQ) .Explain four benefits to an organisation of using the technique. **(10 marks)**

(b) Kazi Ngumu freight company Ltd, prefer storing their materials in bonded warehouses. Highlight six operational characteristic of the warehouses. **(12 marks)**
3. (a) One of the method used by organization to inspect materials receipts Is sampling inspection. Explain the circumstances under which an organisation would use sampling as a method of materials inspection. **(10 marks)**

(b) Highlight five types of packages used in preservation of materials in organisation. **(10 marks)**
4. (a) Explain five measures that organisation may take to ensure the safety of staff in a warehouse. **(10 marks)**

(b) Highlight five operational characteristics of a good store layout. **(10 marks)**
5. (a) "Bar coding " is one of the methods used in business operations. Highlight six merits to the organisation of using the method. **(12 marks)**

(b) highlight the role played by the transport sector in business management in a country. **(8 marks)**
6. (a) Explain six operational factors that are considered by an organisation when selecting mode of transport for its materials. **(12 marks)**

(b) Explain four internal organisation functions of the transport department relating to incoming shipment. **(8 marks)**

7. (a) Highlight five functions of the transport licensing board (TLB) of Kenya. (10 marks)

(b) Explain five duties that are performed by a purchasing officer in an organisation. (10 marks)