PAN AFRICA CHRISTIAN UNIVERSITY

BACHELOR OF COMMERCE

END OF TERM EXAMINATION

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: BCM211

COURSE TITLE: FUNDAMENTALS OF SUPPLY CHAIN MANAGEMENT

EXAM DATE: MONDAY 4th APRIL 2016

TIME: 2.00PM-5.00PM

INSTRUCTIONS:

- Answer any five Questions.
- Write your registration number on all sheets of the answer book used.
- Use a new page for every question attempted and indicate the question number on the space provided on each page of the answer sheet.
- Fasten together all loose answer sheets used.

- Switch off all Mobile Phones and PDAs.

QUESTION 1

(a) Explain THREE functions of purchasing within organizations. **(6 Marks)**

(b) Differentiate the following terms as used in supply chain management. **(6 Marks)**

i) Purchasing and Supply management
ii) EPI and ESI
iii) Purchase requisition and Acknowledgement form

(c) Using examples, identify **FOUR** reasons why purchasing organizations may need to acquire new suppliers. **`(8 Marks)**

QUESTION 2

(a) Describe the steps involved in the purchasing procedure in organizations. **(10 Marks)**

(b) The purchasing department must interact with other departments within the organization in order to attain its objectives. Explain Five such relationships**.** **(10 Marks)**

QUESTION 3

(a) State and explain the different types of strategies employed by organizations when sourcing for materials. **(10 Marks)**

(b) Explain Five reasons why some organizations prefer multiple suppliers over single suppliers. **(10 Marks)**

QUESTION 4

(a) Using examples, explain **FIVE** occurrences of purchasing and supply related fraud. **(10 Marks)**

(b) Explain **FIVE** ways in which the occurrences in 5(a) above can be prevented. **(10 Marks)**

QUESTION 5

(a) As the new Chief Executive Officer of a textile manufacturing company hoping to set up a manufacturing business in Machakos, explain FIVE key factors you may consider in identifying suitable suppliers for textile. **(10 Marks)**

(b) Describe any FIVE advantages of E- sourcing. **(10 Marks)**

QUESTION 6

(a) Explain TWO reasons why the analysis of market conditions is important in sourcing. **(4 Marks)**

(b) Describe any FOUR types of costs associated with inventory management in purchasing organizations. **(8 Marks)**

(c) Explain FOUR advantages of using Just In Time (JIT) production strategy within organizations. **(8 Marks)**