

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2019/2020 ACADEMIC YEAR
FOURTH YEAR SECOND SEMESTER
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF BUSINESS
MANAGEMENT**

COURSE CODE: BBL 421

**COURSE TITLE: STRATEGIC SUPPLY CHAIN
MANAGEMENT CHAIN**

DATE: 10/11/2020

TIME: 2.00 – 4.00PM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

QUESTION ONE

You are purchasing director of Diversified Holdings , a company that has just taken over a smaller firm known as office products .Office products was some years ago an important manufacturer of office equipment's and filling systems employing about 1000 people and supplying customers in Britain and overseas in all sectors of the economy. Over past 20 years office products has decreased in size and has transformed itself into a merchant and manufacturing distributor with a very small design team. All products are now purchased; the last manufacturing operations were closed down about three years ago. Office products currently employs 35 staff and has an annual turnover of some \$ 4million.

Although the management of office product has made claims to pursue a strategic downsizing policy ,a neutral observer might justifiably claim that the changes have forced upon the company ,which has changed reactively in order to survive.Nevetheless the company has survived and is presently enjoying a modest growth in terms of both volumes of business and profitability. Demand for office products equipment is buoyant reflecting the present high level of activity in economy generally.

Office products has retained a good name for the supply of desk items such as staplers, punches and small card index systems and concentrates on these lines .The capital investment required to produce similar goods is not great, the technology employed is not advanced and nowadays the great majority of suppliers are sourced in countries where labour costs are low.A great deal of attention has always been paid to quality control and office product equipment retains its very good name with its corporate customers. The office product is not strong in the retail market where customers seem to buy according to price ,quality being assessed so far as this is possible at the point of sale by means of physical reactions.

Sally Hughes is the purchasing director of office products and she has been with the company for four years a period that coincides with the reversal of the organization profitability from decline to modest growth .She was brought in as part of the management team appointed to turn the company around ,and brought with reputation for being a tough ,nonsense executive .Naturally sally is inclined to take some of the credit for the company's improved fortunes and she had the opportunity

at the recent annual general meeting to explain her strategic purchasing philosophy and her perceptions of the contribution she has made to the recent successes.

- a) Buyer supplier relationships will always determine the success of any organization discuss the characteristics of transactional relationships with its advantages and disadvantages in relation to Diversified Holdings company (20 marks)
- b) Supply chain management plays a big role in the business discuss the six key activities that sally as purchasing director could have involved for organization success(12marks)
- c) Studying of the market conditions is very important in terms of sourcing of suppliers discuss (8marks)

QUESTION TWO

In order to reduce the cost of holding stock many organizations operate JIT

- a) Provide an explanation of JIT and items considered for it to work (4 Marks)
- b) Discuss the benefits and disadvantages of JIT to an organization (16Marks)

QUESTION THREE

Supplier evaluation is important to any organization before making a decision on is the best supplier to select. There are approaches and analysis that are used discuss (20 marks)

QUESTION FOUR

- a) Discuss the levels of strategy that are applied in the context of supply chain management with relevant examples (12marks)
- b) Differentiate between outsourcing; subcontracting; partnering; reciprocity (8 marks)

QUESTION FIVE

- a) Discuss the reasons for make or buy decisions including merits and demerits (20marks)