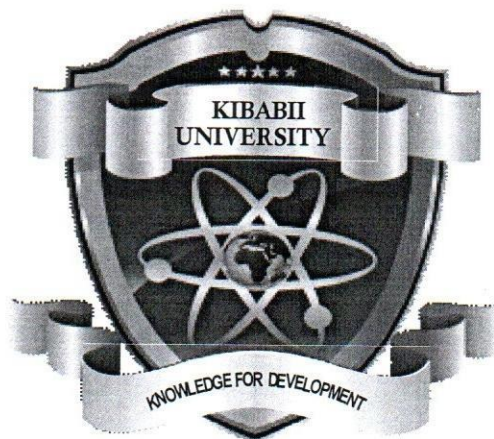


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS
SPECIAL/SUPPLEMENTARY EXAMINATION
2019/2020 ACADEMIC YEAR
THIRD YEAR FIRST SEMESTER
FOR THE DEGREE OF BACHELOR OF BUSINESS
MANAGEMENT

COURSE CODE: BBL 314

COURSE TITLE: GLOBAL LOGISTICS MANAGEMENT

DATE: 15/02/2021

TIME: 2.00 – 10.00PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

SECTION ONE

QUESTION ONE

Read carefully the case study below and answer the questions that follows

Case study – AFRICAN LOGISTICS GROUP OF COMPANYS

The African logistics Group of company (ALGCL) limited based in Mombasa specializes in carriage and distribution of cement from Mombasa to the western parts of Kenya as well as neighboring country of Uganda. Recently, the company has grown and thus overstretched to cover Rwanda and Burundi as well as southern Sudan. Mr Omolo the managing Director of African logistics was challenged to set up a distribution base that could be central, so as to cater for the growing needs of the western region. He decided to set up a bonded warehouse, at Nakawa village in Uganda suburbs. The site was a great distance from the main road that linked Kenya port and Uganda cement delivery point and the road was seasonal even though operational. The warehouse was big enough to accommodate reasonable stock of cement and there was readily available cheap labour, even though at times some stock could go unaccounted for due to pilferage. The site was lucrative too as it had building that acted as previous military warehouse and thus was to help reduce cost that would come with new buildings. The site lasted for six months and management decided to change to another base.

- i. Mention and explain any three factors that could have motivated Mr Omolo to choose Nakawa village? **(9mks)**
- ii. Why did the management decide to move to the new base after a short span of six months? **(9mks)**
- iii. Why did Mr Omolo decide to set up a bonded warehouse? **(4mks)**
- iv. A part from the factors mentioned here, what are the other considerations of setting up a
- v. How is the above set type of warehouse different from a global warehouse? **(2mks)**

SECTION B

QUESTION TWO

- a) Under negotiation, logical persuasion is a tactic that is so sophisticated in purchase research because it depends entirely on detailed, factual knowledge. Thus, the buyer who seeks concession on quotations and tender through this method need to have such knowledge. Explicitly highlight such requirement. **(10mks)**
- b) Illicit financial flows (IFFs) are illegal movements of money or capital from one country to another. GFI classifies this movement as an illicit flow when the funds are illegally earned, transferred, and/or utilized. Highlight examples of illicit financial flows **(10mks)**

QUESTION THREE

- a) Both organizational and professional ethical codes of conduct are useful in the purchasing business. Highlight and explain the any four importance of such codes.**(8mks)**
- a) There are countless ways to launder money, state and briefly explain three stages of money laundering **(6mks)**
- b) Market research is central to sound purchase planning. Highlight on any two importance of Market research **(4mks)**
- c) Mention and explain any two functions of physical distribution **(2mks)**

QUESTION FOUR

- a) Describe any four challenges facing supplier development **(8mks)**
- b) There are some typical signs that may indicate or warn of unethical practices in global logistics. Describe any two examples of such **(4mks)**
- c) Explain the following terminologies as used in transport and logistics
 - i. Physical distribution (2mks)
 - ii. Materials management (2mks)
 - iii. Cycle time. (2mks)
 - iv. Lead time.(2mks)