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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2019/2020 ACADEMIC YEAR
THIRD YEAR FIRST SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF COMMERCE
COURSE CODE: BCP 361
COURSE TITLE: RISK MANAGEMENT IN SUPPLY
CHAIN**

DATE: 29/01/2021

TIME: 8AM-10AM

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 (COMPULSORY)

Use the case below to answer the questions a, b and c that follow

SCF (K) Ltd

Super Comfort Furnitures (SCF) Ltd is a Kenyan SME in the highly competitive informal (Jua Kali) sector. It was started in 2000 with three casual employees. The company sells office furniture to the domestic market with its main customers being major retail outlets.

The company's main inputs include timber and metal which is obtained from uncontracted suppliers.

Over the last ten years SCF (K) Ltd has grown in terms of capital invested, labour force and product range. Mr Wambaya, the proprietor has relied on knowledge and skills gained from trainings and workshops occasionally organized by the Ministry of Industrialization to manage his expanding business. Financial resources to manage his recurrent expenditure are limited, mainly due to delayed payment by his customers. The suppliers on the other hand have insisted on prompt payment for their deliveries. He has outstanding orders for three county governments and hardly has any resources to fulfill the orders.

Mr Wambaya approaches you for professional help

- a) Examine FIVE supply chain risks that SCF(K) Ltd may be facing and suggest possible mitigation measures

(15 marks)

- b) Evaluate the role of effective management of stakeholder concerns in Supply chain Risk Management

(10 marks)

- c) Using an example in the case, briefly explain what you understand by a "cash-to-cash cycle time"

(5 marks)

(30 Marks)

QUESTION TWO

- a) A procurement manager is responsible for a high-risk and medium-value contract for which the procurement organization is critically dependent on the supplier. The procurement manager has instructed the supplier to submit a disaster recovery plan. Using an example, justify the managers' instruction?

(10 marks)

- b) State and explain FIVE Risk Scoping alternatives that may be used in preliminary supply chain risk planning?

(10 marks)

(20 marks)

QUESTION THREE

- a) Explain the role of the Board of Directors in overseeing an organizations risk appetite?

(10 marks)

- b) How can supply chain risk be eliminated if the future can't be predicted?

(10 marks)

(20 marks)

QUESTION FOUR

- a) Global Bank has been unwilling to appoint a chief Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) officer. As a result, the

bank has had several incidents involving money laundering, some of which have been reported on in the press.

Explain with examples THREE risks associated with weak money laundering and the financing of terrorism (ML/FT) risk management practices?

(10 marks)

b) Write short notes on the following terminologies as used in supply chain risk management

- i. Supply Chain Value (2 marks)
- ii. Siloed Thinking (2 marks)
- iii. Scope Change Risk (2 marks)
- iv. Pure Risk (2 marks)
- v. Abnormal Risk (2 marks)

(20 marks)

QUESTION FIVE

a) Ryan Vail is a corporate manager who recently made a series of incorrect business decisions as a result of faulty data obtained internally. Describe the negative impacts on the supply chain that could arise from his incorrect decisions?

(10 marks)

b) Using an organization of your choice, assess how the concept of triple bottom-line can be used to achieve sustainability?

(10 marks)

(20 marks)

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