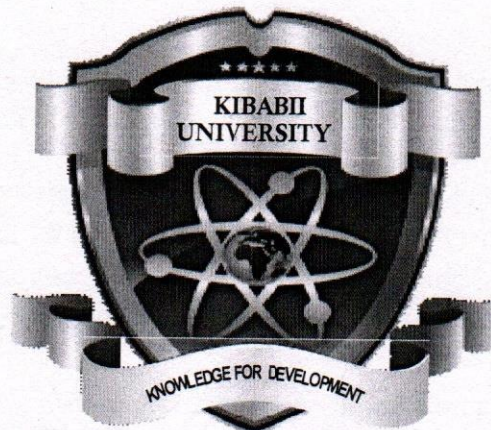


KIBABII UNIVERSITY



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UNIVERSITY EXAMINATIONS

**SPECIAL/SUPPLEMENTARY EXAMS
2016/2017 ACADEMIC YEAR
THIRD YEAR SECOND SEMESTER
FOR THE DEGREE OF BACHELOR OF COMMERCE**

COURSE CODE: BCP 333

COURSE TITLE: MATERIALS AND STORAGE MANAEMENT

DATE: 21ST SEPTEMBER 2017

TIME: 8.00 – 10.00AM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

SECTION A
QUESTION ONE

- a) Stocks can be controlled by MRP, JIT and independent demand systems. When would you use each of these? Are there any other methods? **(10 marks)**
- b) John Pritchard buys stationery for Penwynn Motors. The demand for printed forms is constant at 20 boxes a month. Each box of forms costs £50, the cost of processing an order and arranging delivery is £60, and holding cost is £18 a box a year. Calculate the economic order quantity highlight the assumptions of it. **(10 marks)**
- c) Identify FIVE factors when deciding on stock location and layout within a storage facility **(10 marks)**
- d)
- e) Every audit is created for the needs and objectives of each client. Audits can be developed individually to support specific needs or customized to support multiple needs within a single audit visit. Mention and expound any two store audit programs (10mks)
- f)

SECTION B

QUESTION TWO

- a) Explain the contribution of Electronic Data Interchange (EDI) to stock management and assess the challenges associated with its implementation. **(12 marks)**
- b) Discuss the policy decisions that a materials manager can consider in relation to material management **(8 marks)**

QUESTION THREE

- a) Discuss the cost associated with holding stock and how they may be affected by implementing variety reduction **(10 marks)**
- b) What are the reasons for holding inventory in the organisation **(10 marks)**

QUESTION FOUR

- a) Discuss the pros and cons of periodic review system **(10 marks)**
- b) Explain the various ways of disposing surplus in the organisation **(10 marks)**

QUESTION FIVE

- a) What are the legal issues regarding moving materials in the organisation **(6 marks)**
- b) Discuss the different type of conveyors as a material handling technique **(6 marks)**
- c) Distinguish between independent and dependent demand inventory **(8 marks)**