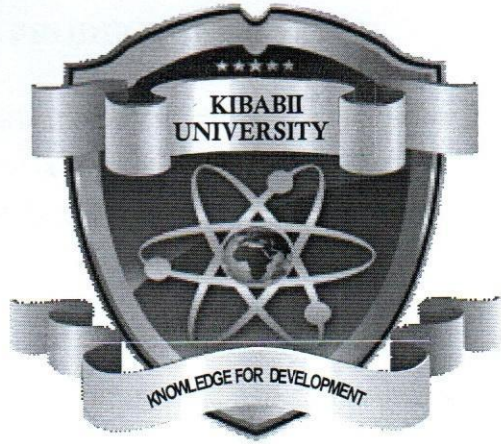


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

2021/2022 ACADEMIC YEAR FOURTH YEAR FIRST SEMESTER MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE
COURSE CODE: BCP 451E
COURSE TITLE: OPERATIONS MANAGEMENT IN
SUPPLY CHAIN

DATE: 16/05/2022 **TIME: 9.00AM – 11.00AM**

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)

CADBURY SCHWEPPE'S PRODUCTION METHOD

Cadbury Schweppes is a multinational soft drinks (beverages) and confectionery business that is based in the UK. The business is a public limited company. It is involved in the manufacture, marketing and distribution of its many branded products. Cadbury Schweppes now employs over 40000 people and its products are available in almost 200 countries. The company's products can be divided into:

- Beverages (carbonated soft drinks and non-carbonated soft drinks (waters and fruit juices)
- Confectionery (chocolate products, sugar products, chewing gum)

Much of Cadbury Schweppes' manufacturing still takes place in the UK, Australia and North Africa. However, in the 1990s the company moved some of its production to Russia, Poland, Argentina and China, countries with emerging economies. To satisfy most of its shareholders, Cadbury Schweppes' has set out a strategy to help achieve its objective. This strategy consists of:

- Creating strong regional positions through organic growth, acquisitions and disposals
- Developing strong brands through marketing Expanding its marketing share through innovation in products and packaging
- Regularly updating its product portfolio

Production

Despite manufacturing its goods in large quantities, Cadbury Schweppes uses batch rather than flow production methods. The company must ensure the products are of high quality. Not only are there strict laws about how foodstuff is made, but also Cadbury Schweppes would not want to damage its reputation by allowing inferior products to be sold. Cadbury Schweppes undertakes extensive research and development (R&D) to develop new products and to find ways of manufacturing existing brands more efficiently. Cadbury Schweppes uses the services of a specialist R&D business based at Reading for its UK confectionery business.

In the case study it is stated that Cadbury Schweppes uses batch production methods to make its products and that it is important the products are of high quality. Based on the information provided

- (a) Describe the differences between batch and flow production. (4 marks)
- b) critically evaluate the reasons why Cadbury Schweppes uses batch production when making chocolate bars. (5 marks)
- (c) Discuss which of the following two quality control methods would be better for Cadbury Schweppes. (5 marks)
- (d) Explain the role and responsibilities of an operations manager within Cadbury Schweppes Ltd Company. (6 marks)
- (e) State the important objectives of production management within Cadbury Schweppes Ltd Company. (4 marks)
- (f) Explain the factors to be considered while selecting the location for the new Cadbury Schweppes Facility in various countries. (6 marks)

QUESTION TWO

- a) You have been appointed as material manager in one of the leading manufacturing company. Explain the activities you will undertake in material management. (10 marks)
- b) Define the term stores layout and explain four qualities of a good facility layout (10 marks)

QUESTION THREE

- a) Explain the difference between independent demand and dependent demand in inventory management (4 marks)
- b) Discuss the benefits of variety reduction in material management (6 marks)
- c) Define the term operations management. Briefly explain the strategic role of operations. (10 marks)

QUESTION FOUR

- a) Explain the various considerations in selecting a production process. (10 marks)
- b) Using a product of your choice, examine the content and purpose of the design process. (10 marks)

QUESTION FIVE

- (a) Explain with an appropriate example, how a materials requirement planning (MRP) system works. (12 marks)
- (b) Define the term Facility layout and explain four qualities of a good facility layout (8 marks)