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# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS

**2022/2023 ACADEMIC YEAR  
SECOND YEAR FIRST SEMESTER  
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF SCIENCE IN CO-  
OPERATIVE AND ENTERPRENUERSHIP  
MANAGEMENT**

**COURSE CODE: CMP 211**

**COURSE TITLE: SUPPLY CHAIN MANAGEMENT FOR  
COOPERATIVES**

**DATE: 13 DEC 2022**

**TIME: 9:00-11:00 AM**

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### 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.

### QUESTION ONE

- a) Discuss the objectives of purchasing management in cooperatives (10 marks)

- b) Highlight the objectives of negotiation in supply chain (5 marks)
- c) Briefly explain what is outsourcing in supply chain and services that can be outsourced by cooperatives (5 marks)
- d) Supply chain management plays a big role in the business highlight the six key activities that sally as purchasing director could have involved for organization success (6 marks)
- e) Supply chain management is important to cooperatives mention what each step involves supply chain management (4 marks)

#### **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 (16 Marks)

#### **QUESTION THREE**

- a) Supplier evaluation is important to any organization before making a decision on is the best supplier to select. Mention the approaches and analysis used and what it involves (10 marks)
- b) What is the Meaning of purchasing management; Materials Management; Logistics Management; Supply Chain Management (8 marks)
- c) Highlight the two disadvantages of outsourcing (2 marks)

#### **QUESTION FOUR**

- a) purchasing department is important to cooperatives as business entity discuss ways purchasing ways the purchasing department can improve your business (12marks)
- b) Discuss the six rights of purchasing (8 marks)

#### **QUESTION FIVE**

- a) Discuss the steps of purchasing cycle (10 marks)
- b) Discuss the styles and approaches of negotiation highlighting what each approach involves (6 mark)
- c) Discuss the areas of purchasing research in supply chain management (4 marks)