

**KIBABII UNIVERSITY**



**UNIVERSITY EXAMINATIONS  
2021/2022 ACADEMIC YEAR  
THIRD YEAR SECOND SEMESTER**

**SPECIAL/SUPPLEMENTARY EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF COMMERCE**

**COURSE CODE: BCP 322**

**COURSE TITLE: MATERIAL AND STORAGE MANAGEMENT**

**DATE: 18/11/2022**

**TIME: 11.00AM – 1.00PM**

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**INSTRUCTION TO CANDIDATES**

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

**KIBU** observes **ZERO** tolerance to examination cheating

## QUESTION ONE

### CASE STUDY

Benetton, the Italian fashion Knitwear company provides a good example of late customization and its benefits. Traditionally, knitted garments are made from dyed yarn, the colour of the garment being determined by the colour of the wool used. This meant that Benetton needed to keep stocks of given designs in various sizes and colors in its stock. The company felt that if garments could be made from undyed yarn and stocked in this neutral colour, then when demand for a particular color arose they could dye the actual garment. Suppliers at first said this approach was unfeasible, in that dyeing a finished problem could create technical problems of some magnitude. However persistent attempts to solve this problem finally paid off and the company has enjoyed the benefit of much reduced inventory as a result.

- a) Using the above example, discuss what is standardization and variety reduction their advantages and disadvantages (10 marks)
- b) Explain how Benetton ensured quality was maintained in its products. (10 marks)
- c) How was coding and classification done when garments were dyed before being knitted in the Benetton Warehouses. (10 marks)

### QUESTION TWO

- a) During pre-dispatch materials inspection, several checks take place. Evaluate briefly on the checks (10 marks)
- b) Discuss five potential problems with using the economic order quantity (EOQ) method. (10 marks)

### QUESTION THREE

- a) Discuss five activities which would typically take place within a store or warehouse facility following the receipt of goods (10 marks)
- b) Evaluate any five reasons for stores auditing (10 marks)

### QUESTION FOUR

- a) "Scope and importance of materials management function has increased with globalization and technological changes". Discuss. (10 marks)
- b) Generally annual stock taking is done at the end of the year. However some companies do it at the end of the every month. Discuss issues to be observed when undertaking annual stock taking exercise (10 marks)

### QUESTION FIVE

- a) Store security ranges from physical security measures, personnel and general building considerations. Examine the factors that are to be considered to ensure store security under personnel aspect? (10 marks)
- b) There is a risk of running out of stock, so you need to be confident that your suppliers can deliver on demand. Explain five methods that can be used alongside other processes to refine the stock control system. (10 marks)