COOPERATIVE UNIVERSITY OF KENYA
UNIVERSITY EXAMINATIONS 2021/2022
YEAR III SEMESTER II EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE/ PURCHASING & SUPPLIES MANAGEMENT
BPSM 3101: SUPPLIES MANAGEMENT I

DATE: MAY 2022 **TIME: 2 HOURS**

QUESTION ONE (30 MARKS)

a) Describe the core objection of material management in an organization (10 marks)

b) Highlight the advantages of material management in an organization (10 marks)

c) Describe the merits and demerits of adopting ABC analysis in material management to control cost (10 marks)

QUESTION TWO (20 MARKS)

a) Define "Re-order level" and describe how this is fixed in materials management (10 marks)

b) Explain any FIVE functions of inventory in an organization (10 marks)

QUESTION THREE (20 MARKS)

a) Explain the various inventory control system (8 marks)

b) Explain why a company might choose or need to hold stock of different products (12 marks)

QUESTION FOUR (20 MARKS)

a) Write short notes on the following terms;

i) Working stock
ii) Cycle stock
iii) Material requirement planning (MRP)
iv) Bill of material (BOM)
v) Just in time (JIT)

b) Describe the objectives of material requirement planning (MRP) (10 marks)

QUESTION FIVE (20 MARKS)

a) Outline the role of other departments in determining stock range (5 marks)

b) Explain the THREE special classes of stock and outline the control and disposal of redundant stock (15 marks)