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MOI UNIVERSITY

OFFICE OF THE CHIEF ACADEMIC OFFICER

UNIVERSITY EXAMINATIONS

2012/2013 ACADEMIC YEAR

THIRD YEAR END OF SEMESTER I EXAMINATIONS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 346

**EXAM TITLE: INTRODUCTION TO LOGISTICS IN
PURCHASING & SUPPLIES**

DATE: 27TH MARCH, 2013 TIME: 9.00 A.M. – 12.00 NOON.

INSTRUCTION TO CANDIDATES

- **ATTEMPT ANY FOUR QUESTIONS**

INSTRUCTIONS TO CANDIDATES

Answer question **one** and any other three questions

QUESTION ONE

- a) Differentiate between the effectiveness of traditional costing and activity-based costing methods in the context of logistics costs. **(15 marks)**
- b) Profitability of a company depends to a large extent on effectiveness of its purchase function. Discuss. **(10 marks)**

QUESTION TWO

- a) What are the objectives of inventory control? **(6 marks)**
- b) Which are the three main departments in a manufacturing company put pressure on inventory managers and what are their objectives? **(9 marks)**

QUESTION THREE

- a) Explain the purpose of network design. **(5marks)**
- b) Discuss how an efficient network design makes both the customer and the supplier comfortable. **(10 marks)**

QUESTION FOUR

- a) Explain with illustrations how material handling system enhances productivity in logistics systems. **(6 marks)**
- b) What are the four economic benefits of warehousing? Illustrate your answer with appropriate examples. **(9marks)**

QUESTION FIVE

Discuss the importance of the various linkages of the supply chain in light of the prevailing business in which business firms operate. **(15 marks)**

QUESTION SIX

Explain how logistics is used for gaining a competitive advantage to deliver a superior customer service. **(15 marks)**