The Management University of Africa

Sponsored by the Kenya Institute of Management

DIPLOMA UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DIPLOMA IN MANAGEMENT AND LEADERSHIP /SUPPLY CHAIN MANAGEMENT

DML 102/DSM 102: **PROCUREMENT AND SUPPLY CHAIN MANAGEMENT**

DATE: ***7TH AUGUST 2019***

DURATION: ***2 HOURS***

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

KELLOGG'S NUTRI-GRAIN (2007)

Kellogg's is the world's leading producer of breakfast cereal. In 2007, it was Britain's leading grocery brand. Its lines include both ready-to-eat cereal (like Rice Krispies) and cereal bars. Kellogg's divides its markets into six segments so that marketing can be targeted. Each brand has to hold its own in its market. It a brand is not performing as well as it should, the business must do something about it. Nutri-Grain was designed to meet the needs of busy people who had missed breakfast providing a health cereal breakfast in a bar. At launch in 1997, Nutri-Grain immediately gained 50% market share. Growth was maintained by bringing out new versions and repositioning the bar as an 'all day snack.' However at maturity, competitor brands started to chip away at market share; these multiple brands products caused market saturation. By mid-2004, Nutri-Grain faced declining sales in a growing market. As a result, Kellogg had to decide whether to let the product die or use an extension strategy to lengthen its life. Kellogg had to decide whether the problem with Nutri-Grain was the market, the product or both.

Required:

a) Discuss the **SIX** stages of product life cycle diagram showing each stage of the Nutri-Grain case study. **(12 marks)**

b) b. Highlight **FIVE** ways in which Nutri-Grain would have focused on in Customer centered approach of new product development. **(5 marks)**

c) c. Discuss the **FOUR** important steps you will need to plan into your NPD strategy **(8marks)**

d) d. Evaluate Nutri-Grain's performance in the Kenyan market. What can be done to appeal to a Kenyan audience? **(5marks)**

QUESTION TWO

a) Explain the importance of stock record to procurement department. **(5marks)**

b) Differentiate between purchasing and procurement **(5marks)**

QUESTION THREE

a) Explain ABC analysis as one of the tools of inventory management **(2marks)**

b) Quality management has **FOUR** components. Discuss each of them. **(8marks)**

QUESTION FOUR

a) As a procurement professional, you are required to follow moral principles while carrying out organizational duties. Explain any **THREE** role of ethics in procurement. **(6 marks)**

b) Highlight **FOUR** types of purchases in procurement **(4marks)**

QUESTION FIVE

a) Outline **FIVE** importance of production management to customers and the society **(5marks)**

b) Highlight **FIVE** information technology techniques used in procurement **(5marks)**

QUESTION SIX

Explain the principles of professional ethics that must be observed during procurement process **(10marks)**