CERTIFICATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

CERTIFICATE IN SUPPLY CHAIN MANAGEMENT

CSM 103: WAREHOUSING AND STOCK CONTROL

DATE: 29TH JULY 2026

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:

SMART MOVERS LIMITED

Smart Movers limited a leading distribution company with over 15 years in operations has since grown into one of East Africa's most reliable company. They have adopted a strategy method of ensuring their customers products, goods and services are delivered to the customers or end-users on time. Smart Movers management is aware that you often gain repeat customers by ensuring you fulfill your contracts within the stipulated delivery schedules. For a period of time, they have provided quality distributions services for businesses of all sizes. By choosing Smart Movers Limited the customer can be rest assured that their distributions jobs will be professionally executed to their maximum satisfaction.

Smart Movers Limited has grown to become a significant force among independent distribution companies and their goal is to provide competitive distributions services, while maintaining one of the highest levels of customer service in the industry. At Smart Movers, they want to make every aspect of distribution as easy as possible. With their expertise, reliability and cost-effective services one can be assured that quality performance at every level will be provided. They have adopted the three methods of distribution that outline how manufacturers choose how they want their goods to be distributed in the market i.e. Intensive Distribution (as many outlets as possible), Selective Distribution (Select outlets in specific locations) and Exclusive Distribution (limited outlets).

Smart Movers Limited is witnessing distribution difficulties and a firm of consultant is called upon to identify the firm's problems. After several weeks of investigation, the consultants presented their report. In the report they suggest that the design option for distribution and transport network is the major problem. They also point out investment in stocks is at very high level; however, the distribution to customers is very poor with frequent stock outs on important components.

Required:

a) As part of the team of the consultants hired by the management of Smart Mover, discuss, how a strong distribution network can provide a competitive advantage

(**10 marks**)

b) Explain to Smart Movers five various records they need to maintain in their warehouse

(**10 marks**)

c) From the case study, advise Smart Movers five advantages they will achieve by computerizing their warehouses and ultimately enhance customer satisfaction.

(10 marks)

QUESTION TWO

a) Fork-lift trucks (FLTs) used in warehouses to eliminate manual handling, however, FLTs are dangerous vehicles and can cause serious life-changing injuries and fatalities. Examine five safe uses of FLTs in the warehouses.

(**5 marks)**

b) Discuss five main functions as to why organizations/companies keep stocks

(5 marks)

QUESTION THREE

a) Explain five principal assumptions of Economic Order Quantity (EOQ) approach. **(5 marks)**

b) Discuss any five reasons an organization may embark on the process of stock taking **(5 marks)**

QUESTION FOUR

a) Define ERP and explain any four benefits associated with the use of ERP systems **(5 marks)**

b) Stock control uses time and resources. Analyse how the ABC (Pareto Analysis) inventory system can be used to closely monitor stock. **(5 marks)**

QUESTION FIVE

a) Explain five ways on how companies can improve warehouse efficiency **(5 marks)**

b) You are recently employed as a Procurement officer; examine five reasons why organisation should avoid keeping stocks where necessary. **(5 marks)**

QUEESTION SIX

a) Describe any five reasons why organizations hold stocks in their warehouses/stores**.** **(5 marks)**

b) Devising a warehouse's layout is the first step in designing an installation. Explain five needs that a general layout of a warehouse facility must cover

(5 marks)