The Management University of Africa

Sponsored by the Kenya Institute of Management

DIPLOMA UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DIPLOMA IN LEADERSHIP AND MANAGEMENT

DML 102: PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

DATE: 18TH DECEMBER 2018

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:

EAGLES NEST COMPANY

Eagles Nest Company is a limited business that has been manufacturing cooking oil since 1960s. Previously the company used to collect data on quality, productivity, customer complaints, scrap, order quantities and delays in shipments. After every two weeks, the analyzed key performance indicators (KPIs) were discussed by management to help improve company's performance.

The company used to adhere to products standards and specifications through stringent quality control procedures and activities. This has changed over the last five years due to among others, adoption of negative quality culture, low morale/motivation among the employees and lack of quality commitment. The quality of company's products and services has been declining; customer complaints are not handled promptly and the company has lost its competitiveness. Most employees have a negative attitude towards work which has reduced company's productivity and efficiency. Management is no longer offering leadership in continuously satisfying customer needs. Their belief that 'customer is king' of the business is fading.

Required:

a) Advise the company on how to address the quality issues. **(10marks)**

b) Quality is conformance to requirement and not goodness. Discuss in detail five dimension of quality. **(10marks)**

c) Quality begins with the customer and ends with customer hence their belief that 'customer is king'. In relation to this identify and explain three principle of quality management. **(10 marks)**

QUESTION TWO

Briefly explain the meaning of the following terms:

a) Procurement (2 marks)
b) Supply chain management (2 marks)
c) Cost Management (2 marks)
d) Total Quality Management (2marks)
e) Fuzzy front-end (2 marks)

QUESTION THREE

a) Define the term inventory management. (2marks)
b) Explain at least four benefits for Value Chain Analysis. (8marks)

QUESTION FOUR

a) Just in time (JIT) seems to gain a lot of popularity in Kenya today. Highlight five benefits of Just in time. (5 marks)
b) Highlight at least five reasons for keeping stock. (5marks)

QUESTION FIVE

Outline five importance of applying information technology in supply chain management. (10marks)

QUESTION SIX

a) Explain the principles of professional ethics that must be observed during procurement process (5 marks)
b) Explain the problem of outsourcing in supply chain (5 marks)