

The
Management
University
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POSTGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

MBA 504: SUPPLY CHAIN MANAGEMENT

DATE: 27TH JULY 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 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

APPAREL KENYA MANUFACTURING:

Apparel Kenya Manufacturing is a chain of fashion stores established in Kenya at the EPZA premises scattered across the country and is one of the apparel manufacturer and retailer. In 2024 it reported sales of Ksh.250 million from more than 200 retail outlets in East and central Africa countries. In an industry in which customer demand is fickle, Apparel Kenya Manufacturing has grown rapidly with a strategy to be highly responsive to changing trends with affordable prices. Whereas design-to-sale cycle times in the apparel industry have traditionally averaged more than six months, Apparel Kenya Manufacturing has achieved cycle times of five to six weeks. This speed allows Apparel Kenya Manufacturing to introduce new designs nearly every year and to change 50 percent of its merchandise display every year. Thus, Apparel Kenya Manufacturing's products on display match customer preference much more closely than the competition. The result is that Apparel Kenya Manufacturing sells most of its products at full price and has about half the markdowns in its stores compared to the competition.

Apparel Kenya manufactures its apparel using a combination of flexible and quick sources in Europe and America and low-cost sources in China and Asia. This contrasts with most apparel manufacturers, who have moved most of their manufacturing to Africa and Asia. Products with highly uncertain demand are sourced from Europe, whereas products that are more predictable are sourced from its China and Asian locations. More than 60 percent of its finished goods purchased and most of its in-house production occur after the sales season starts. This compares with less than 20 percent production after the start of a sales season for a typical retailer. This responsiveness and the postponement of decisions until after trends are known allow Apparel Kenya Manufacturing to reduce inventories and

forecast error. Apparel Kenya Manufacturing has also invested heavily in information technology to ensure that the latest sales data are available to drive replenishment and production decisions.

Until 2020, Apparel Kenya Manufacturing centralised all its European distribution and some of its global distribution through a single distribution centre (DC) in France. It also has some satellite DC's in Latin America countries. Shipments from DCs to stores were made twice a week. This allowed store inventory to closely match customer demand. As Apparel Kenya Manufacturing has grown, it has built another distribution centre in America.

Required:

- a) With reference to the case study, discuss how supply chain management can be used as a tool for competitiveness

(10 marks)

- b) With reference to the case study explain the challenges involved in supply chain optimisation

(10 marks)

- c) Discuss five challenges that Apparel Kenya Manufacturing may encounter during I.T implementation in supply chain

(10 marks)

QUESTION TWO

- a) Supply Chain management is not simply minimizing transportation cost or reducing inventories but, rather, on taking a systems approach to supply chain management, discuss

(9 marks)

- b) Forecasting can be viewed as an effort to reduce uncertainty so as to make more accurate decisions. Using a firm of your choice, discuss six Qualitative forecasting Techniques you can recommend to achieve

competitive advantage in the market.

(6 marks)

QUESTION THREE

- a) Evaluate five advantages of e-procurement organizations can achieve in order to overcome old corporate cultures

(10 marks)

- b) The term 'Value Chain' was used by Michael Porter in his book "Competitive Advantage: Porter argues that the ability to perform particular activities and to manage the linkages between these activities is a source of competitive advantage. Discuss linkages between all activities in the value chain **(5 marks)**

QUESTION FOUR

- a) Discuss the principles of green supply management giving examples of companies that have set out to implement the Principles

(9 marks)

- b) The bull whip effect can be explained as an occurrence detected by the supply chain where orders sent to the manufacturer and supplier create larger variances than the sales to the customers. Explain any six factors that contributes to the bullwhip effect.

(6 marks)