

The
Management
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND
LEADERSHIP

PSM 300: DISTRIBUTION AND LOGISTICS MANAGEMENT

DATE: 28TH JULY 2026

DURATION: 3 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 **THREE** questions.
6. Question **ONE** carries **25 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 carefully and answer questions a) b) and c)

Case Study: Enhancing Distribution Efficiency through IT at Kifaru AgroTech Ltd. - Kenya

Background

Kifaru AgroTech Ltd., a mid-sized agribusiness firm based in Nakuru, Kenya, specializes in the production and distribution of organic fertilizers and agricultural inputs. Traditionally, Kifaru relied on manual order tracking, paper-based inventory records, and phone calls to coordinate deliveries across its five regional distribution centers. As the company scaled, it faced mounting challenges, including inventory mismatches, delayed deliveries, and poor customer satisfaction. Recognizing the inefficiencies, the management decided to invest in a cloud-based logistics and distribution management system.

Implementation of IT Solutions:

In 2022, Kifaru adopted an integrated Enterprise Resource Planning (ERP) system with modules for supply chain logistics, real-time vehicle tracking, inventory control, and customer relationship management. The IT system allowed the company to digitize orders, monitor inventory in real-time, and track delivery trucks via GPS. It also enabled predictive analytics to forecast demand and optimize warehouse stocking levels, reducing instances of under- or overstocking. Staff were trained on the new platform to ensure smooth integration into daily operations.

Impact on Logistics and Distribution:

Within a year of implementation, Kifaru observed a 35% reduction in delivery times and a 20% drop in logistics-related costs. The ERP system's route optimization function helped reduce fuel expenses, while real-time order tracking improved transparency with customers. Additionally, the automated inventory management system minimized stock-outs and wastage, especially for perishable agro-inputs. These

improvements led to a 15% increase in customer satisfaction, enhancing the firm's competitiveness in a crowded market.

Challenges and Mitigation:

Despite the successes, the transition was not without challenges. Resistance to change among warehouse and transport staff slowed initial adoption, and internet connectivity issues in remote branches affected real-time updates. Kifaru addressed these by investing in offline data synchronization features and conducting continuous change management workshops. They also collaborated with local ISPs to improve connectivity in critical areas. Management learned that technological investments must be accompanied by cultural and infrastructural readiness.

Conclusion:

Kifaru AgroTech's experience underscores the critical role that Information Technology plays in modern logistics and distribution management. It demonstrates that IT not only enhances operational efficiency but also provides strategic insights that drive business growth. For firms in developing economies, the key lies in selecting appropriate technologies, ensuring stakeholder buy-in, and building supportive infrastructure for long-term success.

Required:

- a) Discuss the key benefits of adopting IT systems in logistics and distribution, as observed in the case of Kifaru AgroTech Ltd.

(5 marks)

- b) Explain the challenges that firms in developing countries face when integrating IT into logistics operations, and how can they be addressed.

(10

marks)

- c) Analyse how real-time data enhance decision-making in logistics and distribution management

(10 Marks)

QUESTION TWO

- a) Discuss the role of global logistics in enhancing the competitiveness of multinational corporations (MNCs). Illustrate your answer with relevant examples.
(8 marks)
- b) Evaluate the key challenges faced in global logistics and propose strategic solutions to mitigate these challenges.
(7 marks)

QUESTION THREE

- a) Explain the concept of logistics integration and analyze its importance in achieving supply chain efficiency. Provide relevant examples to support your answer.
(10 marks)
- b) Explain five key barriers to effective logistics integration in supply chains and how organizations can overcome these barriers to achieve seamless integration.
(5 marks)

QUESTION FOUR

- a) Explain four roles of transportation strategy in supply chain management and how organizations can align transportation decisions with broader business goals.
(8 marks)
- b) Discuss the key factors influencing the selection of transportation modes in logistics strategy and explain the trade-offs involved in choosing between different modes.
(7 marks)

QUESTION FIVE

- a) Discuss the interrelationship between logistics and distribution management and how effective coordination between the two

contributes to overall supply chain performance.

(8 marks)

- b) Analyse three major challenges in managing distribution networks in emerging markets, and how firms can strategically address them to achieve operational excellence.

(7 marks)

QUESTION SIX

- a) Explain the concept of distribution planning, and how it contributes to customer satisfaction and supply chain efficiency. Illustrate your answer with practical examples.

(8 marks)

- b) Discuss the key factors influencing distribution planning decisions in modern supply chains.

(7 marks)