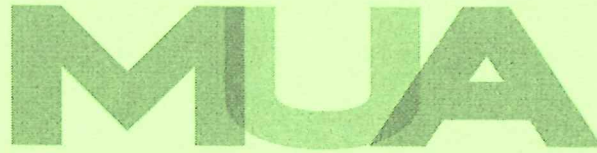


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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP/**  
**BACHELOR OF COMMERCE**

**BCM 216 / PSM 201: PURCHASING AND SUPPLY MANAGEMENT**

**DATE: 9<sup>TH</sup> AUGUST 2024**

**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 **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 below carefully and answer the questions that follow:**

**UJUNZI COMPANY Limited**

Ujunzi Company limited has been in operations for the last twenty five year as a manufacturing large organization and for ten years Mr. Willis Mamba has been its chief executive officer. Ujunzi Company limited has grown to be large manufacturing organization specializing in distribution, warehousing, retailing and even offering after sale services in their products mainly used in sanitation, cleaning and laundry services.

The company has set up its targets at approximately ksh.500 million turnover from its sales of their products. Most of its revenue is to come from good production management techniques applied by its competitors and unless properly implemented the targeted sales turnover may just be a projection that may never be realized. Its Market is mostly derived from COMESA and of late and some North African counties have been added for its products. The company has carried internal audit from a hired group of consultants and auditors and found some areas that require urgent actions. Among the many findings there is need for a complete review of the existing procurement strategies to be in line with business strategies. There is need for a more vibrant and effective marketing of the organizations existing business to bring out its products and to overhaul existing investment strategies with a view to selling of unprofitable activities as soon as market will allow.

To be more effective and establish competitive edge there was found a need to introduce a less bureaucratic management structure to deal with the rapid changes faced by Ujunzi Company limited as it expands its organizational activities in Africa and other counties outside Africa. Ujunzi Company limited Board of directors are particularly worried about the purchasing activity across the organization which at the current situation is totally fragmented and very poorly managed.

**Required:**

- a) Advise the board of directors of Ujunzi company limited Board any five supply chain strategies that could solve its problem **(10 marks)**

- b) Explain five benefits of strategic purchasing/ procurement that Ujunzi company limited can adopt to its manufacturing process (10 marks)
- c) In reference to the case study, advise Ujunzi company limited management any five areas that a global sourcing strategies should address to be competitive (5 marks)

### QUESTION TWO

- a) Explain any five characteristics that strategic purchasing teams examine (10 marks)
- b) A **SWOT analysis** is a structured **planning method** used to evaluate project or business venture, explain (5 mark)

### QUESTION THREE

- a) Explain any five major objectives of procurement (5 marks)
- b) Discuss at least five areas you should look for in a supplier (10 marks)

### QUESTION FOUR

- a) In business and engineering, new product development (NPD) is the complete process of bringing a new product to market; explain the complete steps process (10 marks)
- b) Maximum inventory level is that level that should never be exceeded to avoid undue investment of capital, explain how it is determined (5 marks).

### QUESTION FIVE

- a) Explain any five supply management's relationship with other departments (10 marks)
- b) Discuss five advantages of variety reduction (5 marks)

**QUESTION SIX**

- a) Discuss any five functions of master production schedule (MPS). **(10 marks)**
- b) Explain any five aggregate planning guidelines **( 5 marks)**