

TECHNICAL UNIVERSITY OF MOMBASA
SCHOOL OF BUSINESS
DEPARTMENT OF BUSINESS ADMINISTRATION
UNIVERSITY EXAMINATION FOR DIPLOMA
DIPLOMA IN BUSINESS ADMINISTRATION
BPC 2102; STORAGE AND DISTRIBUTION MANAGEMENT
END OF SEMESTER EXAMINATIONS
SERIES: JANUARY/APRIL 2016
TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

Answer question **One (COMPULSORY)** and any other **TWO**

QUESTION ONE

- (a) Discuss the advantages of ABC analysis (10 marks)
- (b) Explain the importance of a good classification system in a warehouse (10 marks)
- (c) Describe the functions of transport and traffic executive (10 marks)

QUESTION TWO

- (a) Inventories are essential for keeping the production wheels moving. Explain the important functions of inventories (12 marks)
- (b) Explain the following;
 - (i) Bin card (3 marks)
 - (ii) Material record (3 marks)
 - (iii) Inventory card (2 marks)

QUESTION THREE

- (a) A company has an annual demand for material Q of 2500 tons per annum. The cost price per ton is sh 2000 and stock holding is 25% per annum of the stock value. Delivery cost per batch is sh 400. Calculate the Economic order quantity (8 marks)

(b) State the advantages of an improved system of materials handling (12 marks)

QUESTION FOUR

(a) Explain any FOUR principal system of codification (8 marks)

(b) Explain the various classification of materials according to their condition or usability (12 marks)

QUESTION FIVE

(a) Explain FIVE causes of stock discrepancies (10 marks)

(b) Differentiate between fixed order point system and periodic review system (10 marks)