



**TECHNICAL UNIVERSITY OF MOMBASA**  
***Faculty of Business & Social Studies***

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN PROCUREMENT AND MATERIALS MANAGEMENT

**BPC 2102: STORAGE AND DISTRIBUTION MANAGEMENT**

SPECIAL/SUPPLEMENTARY EXAMINATIONS

**SERIES: FEBRUARY 2015**

**TIME: 2 HOURS**

**INSTRUCTIONS:**

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.

***This paper consists of Two printed pages.***

### QUESTION 1 (Compulsory)

“The warehouse is, in most organizations the area in which significant improvements can be made. If properly designed, built, planned, located, organized and managed, it can improve customer service levels while reducing money tied up in stock in processes that do not add value. This has the effect of improving organization’s profitability”.

- a) As a designer of a warehouse, discuss the factors that should be part of the selection criteria for a new warehouse site. **(10 marks)**
- b) Discuss **FIVE** possible criteria which should be evaluated and assessed in order to select the best channel of distribution. **(10 marks)**
- c) Highlight **FIVE** objectives of material handling equipment within an organization. **(5 marks)**
- d) Discuss the fundamental basic activities in a store management. **(5 marks)**

### QUESTION 2

- a) Discuss various stock location systems application in an organization. **(10 marks)**
- b) By use of examples highlight the advantages of coding. **(10 marks)**

### QUESTION 3

- a) Discuss the following concepts by use of examples:
  - i) Kaban system **(4 marks)**
  - ii) Re-order level **(2 marks)**
  - iii) Pull-push system **(3 marks)**
  - iv) JIT system **(3 marks)**
  - v) Economic order quantity. **(3 marks)**
- b) List **FIVE** roles of the stock control manager. **(5 marks)**

### QUESTION 4

- a) Explain **FIVE** benefits of stock taking. **(10 marks)**
- b) State and explain **FIVE** causes of stock discrepancies. **(10 marks)**

### QUESTION 5

- a) Discuss the various transport modes applicable in an organization. **(8 marks)**
- b) State and explain **SIX** basic costs that are incurred by any organization which holds stocks of materials. **(12 marks)**