



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

DEPARTMENT OF BUSINESS STUDIES

UNIVERSITY EXAMINATIONS FOR DEGREE IN  
BACHELOR OF COMMERCE (PROCUREMENT OPTION)  
BACHELOR OF COMMERCE (LOGISTICS OPTION)

**BPC 4302: SUPPLY CHAIN MANAGEMENT**

END OF SEMESTER EXAMINATIONS

**SERIES: DECEMBER 2014**

**TIME: 2 HOURS**

**INSTRUCTIONS:**

- Answer Question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

***This paper consists of Three printed pages***

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**QUESTION 1 (Compulsory)**

- a) With clear examples, differentiate between supply chain management and logistics management, and discuss any **THREE** types of supply chains. **(10 marks)**
  
- b) The data below relates to FOMU Logistics Ltd for the most recent 10 months in 2013

<b>Month</b>	<b>Share price (shs.)</b>
February	76
March	78
April	76
May	79

June	82
July	80
August	83
September	81
October	81
November	84

**Required:**

- i) Determine the forecasts for the given months using the exponential smoothing method;  $\alpha = 0.4$ . Let the actual value of February be the month forecast to start the process. **(8 marks)**
- ii) Fit a linear regression model to the above data with February being  $X = 1$  and determine the forecast for the month of December. **(8 marks)**
- iii) With clearly explained examples, discuss the main characteristics of demand forecasts. **(4 marks)**

**QUESTION 2**

- a) “Understanding the concept of outsourcing is just a waste of time”. Is this statement true? Discuss your answer, using appropriate examples. **(10 marks)**
- b) Effective sourcing processes within a firm can improve profits for the firm and the total supply chain surplus in a variety of ways. Explain some of the benefits derived from making effective sourcing decisions. **(10 marks)**

**QUESTION 3**

- a) With clear examples, explain any **THREE** strategies that are employed by firms in managing global supply chain risks. **(6 marks)**
- b) Discuss why it is necessary to have distributors in a supply chain. **(4 marks)**
- c) Explain the factors that would influence the choice of a distribution network. **(10 marks)**

**QUESTION 4**

- a) Briefly explain the meaning of a supply chain and supply chain management. What are the major objectives of supply chain management? **(10 marks)**
- b) A value chain is a linear map of the way in which value is added by means of a process from raw materials to the finished delivered products, including service offer delivery. Explain the primary and secondary activities in a value chain as identified by Michael Porter. **(10 marks)**

## QUESTION 5

Your firm is rapidly expanding and the managing director has approached you, the Supply Chain Manager, so that you can assist the entire organization where a strategic fit. You are supposed to ensure that there is a balance between responsiveness and efficiency in the supply chain and see to it that the supply chain strategy is in line with the firm's competitive strategy. Clearly explain the major supply chain drivers you will critically manage and discuss the major decisions to be made in managing each of the stated supply chain driver. **(20 marks)**