

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)