



**TECHNICAL UNIVERSITY OF MOMBASA**  
***SCHOOL OF BUSINESS & SOCIAL STUDIES***  
**DEPARTMENT OF MANAGEMENT SCIENCES**

**DIPLOMA IN TRANSPORT & LOGISTICS MANAGEMENT**  
**(DTLM)**

**BLT 2110: WAREHOUSING AND INVENTORY MANAGEMENT**

**END OF SEMESTER EXAMINATIONS**

**SERIES: MAY 2016**

**TIME: 2HRS**

**INSTRUCTIONS:**

- This paper consists of **A** and **B**.
- Section A is Compulsory. Answer any **TWO** questions in Section **B**.
- Mobile phones are not allowed into the examination room
- Cheating leads to disqualification.
- This paper consists of three printed pages.

## QUESTION 1

### (a) Answer Question I and any other two Questions

#### Define the following terms

- (i) Inventory management (2marks)
- (ii) Warehouse Management System (2marks)
- (iii) Electronic point of Sale (EPOS) (2marks)
- (iv) Electronic kanban (2marks)
- (v) Material handling (2marks)

### (b) Bahola manufacturing Company has determined from an analysis of its accounting and production for a certain part

- (i) It's demand is 9,000 units per annum and is uniformly distributed over the year
- (ii) It's ordering cost is Ksh. 40 per order
- (iii) Inventory cost charge is 9% of the inventory value
- (iv) The cost price is Ksh 2 per unit

Further it is known that the Lead Time is uniform and equals 8 working days, and the total working days are 300 in a year.

Determine

- (i) Economic Order Quantity (5marks)
- (ii) Optimum number of Order per annum (5marks)
- (iii) Lengthy of Inventory Cycle (5marks)

### (c) State and describe any two roles of Inventory Management in the Competitive and supply strategy of a firm.

(4marks)

## QUESTION 2

- (a) Describe the evolution of computer applications schedules from its origin to enterprise Resource planning ERP Software in manufacturing. Describe the advantages of a company implementing an ERP system in this its production schedule. (10marks)
- (b) Discuss five principles of material handling an organization would consider as a strategic policy option in today's competitive business environment. (10marks)

## QUESTION 3

- (a) Discuss any five methods of dealing with uncertainty in Inventory Management by an organization such as Bamburi Lafarge Group of Companies Based in Mombasa (10marks)
- (b) Why such a firm does believe in efficient management of its Inventory as a strategic goal in the competitive Kenyan business environment? (10marks)

#### QUESTION 4

(a) “Computer Applications is a panacea to business solutions especially implemented by Modern Organizations, to manage their inventory” defend this statement (10marks)

(a) Describe the following factors that on exporting manufacturer such as John Finlay a subsidiary of the Finlay Group of company’s based in Kericho would

Consider in a locating its warehouses for Tea exports in the European market in terms of

- i) Market
  - ii) Infrastructure
  - iii) Security and Human Resource
  - iv) Competitiveness and Rivalry
  - v) Government policy
- (10marks)

#### QUESTION 5

(a) J.I.T (Just –in-Time) Technique aim at having a stockless organization, what benefits and challenges are likely to face an organization Such as the Kenya Breweries, that undertake this technique.

(b) Describe in Details any five points of asymmetry between Independent & Dependent Demand Systems in Inventory Management realm. (10mks)