



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

**DIPLOMA IN BUSINESS MANAGEMENT**  
**/DIPLOMA IN BUSINESS ADMINISTRATIONS**

**OPERATIONS MANAGEMENT BMG 2212**

**END OF SEMESTER EXAMINATIONS**

**SERIES: MAY 2016**

**TIME: 2 HRS**

**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.

## EXAMINATION PP I

### Question One;

a) List and briefly explain both regional and community factors important when deciding where to locate a;

- i) A cement Factory
- ii) Health Clinic

**(12 Marks)**

b) A company is going to construct a new warehouse served by suppliers A, B and C. The locations of the three suppliers and the annual number of truck carriers that will serve the warehouse are shown in the following table;

A	B	C
$X_A=150$	$X_B=300$	$X_C=400$
$Y_A=250$	$Y_B=100$	$Y_C=500$
$W_A=140$	$W_B=110$	$W_C=170$

Required

- i) Determine the best site for the warehouse using the center of gravity technique **(4Marks)**
- ii) What are the major disadvantages of this method? **(4 Marks)**

b) Discuss the organizational structure with a clear position of the operations management function in all areas. **(10 Marks)**

**(Total :30 Marks)**

### Question Two:

Briefly distinguish between each of the following pair of terms as used in Operations Management while giving appropriate examples from both manufacturing and service operations.

- a) Batch vs. Continuous flow structures. **(6 Marks)**
- b) Process layout vs. product layout. **(6 Marks)**
- c) Independent Vs. dependent demand. **(4 Marks)**
- d) Ordering costs and holding costs. **(4 Marks)**

**(Total :20 Marks)**

**Question Three;**

- a) OM's function focuses on adding value through the transformation process (*technical core*) of converting inputs into outputs. Discuss any five states of conversion. **(10 Marks)**
- b) Discuss how Operations Management contributes to the societal well being. **(10 Marks)**
- c) In the historical development of operations management how is the integration of manufacturing and Services. **(5 Marks)**
- d) Most products are a bundle of goods and services , Citing three example each of goods and services state how they are used bythe consumers. **(5 Marks)**

**(Total :20 Marks)**

**Question Four;**

- a) Define the term Capacity. **(3 Marks)**
- b) Capacity Planning is generally viewed in three durations, briefly discuss these durations. **(9 Marks)**
- c) Discuss the meaning of the following terms as used in capacity planning. **(8 Marks)**
  - i) Strategic Capacity Planning
  - ii) Over Capacity
  - iii) Diseconomies of Scale
  - iv) Economies of Scale

**(Total ;20 Marks)**

**Question Five ;**

- 1. Briefly discuss what an inventory system means and identify any four types of inventory system. **( 6 Marks)**
- 2. In inventory system, there are several costs associated to inventory, state and explain any **FIVE**of these costs. **(10 Marks)**
- 3. State the difference between acquisition costs and set-up costs **(4 Marks)**

**(Total ;20 Marks)**