



**TECHNICAL UNIVERSITY OF MOMBASA  
SCHOOL OF BUSINESS**

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN PROCUREMENT AND MATERIALS MANAGEMENT

**BMG 2205: MATERIAL PLANNING AND LOGISTICS**

END OF SEMESTER EXAMINATIONS

**SERIES:** DECEMBER, 2016

**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)**

Discuss how the following areas may be important to an organization

- a) Purchasing Department **(10 marks)**
  
- b) The objective of production planning **(10 marks)**
  
- c) The functions of an inventory **(10 marks)**

### **QUESTION 2**

- a) Describe the components of a logistic system? **(10 marks )**
  
- b) Explain the objectives of Public procurement Act of Kenya **(10 Marks)**

### **QUESTION 3**

- a) Discuss the requirement for an effective inventory management system **(10 marks)**
  
- b) How much to order by a firm is influenced by many factors. The model to reduce errors during the process is called economic order quantity Model. State the model and explain the assumptions while using the model **(10 marks)**

### **QUESTION 4**

- a) Analyze the purchase cycle. **(10 marks)**
  
- b) Discuss the function of dispatch in a purchasing process **(10 marks)**

### **QUESTION 5**

- a) Discuss any **FIVE** costing decisions in logistics. **(10 marks)**
  
- b) Explain the various health and safety measures in a firm. **(10 marks)**