



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)