



# TECHNICAL UNIVERSITY OF MOMBASA

---

INSTITUTE OF COMPUTING AND INFORMATICS

DEPARTMENT OF BUSINESS ADMINISTRATION

## UNIVERSITY EXAMINATION FOR:

DIPLOMA IN PROCUREMENT AND MATERIALS MANAGEMENT

DIPLOMA IN SALES AND MARKETING

BPC 2102: STORAGE AND DISTRIBUTION MANGEMENT

END OF SEMESTER EXAMINATION

**SERIES :AUGUST2019**

**TIME :2HOURS**

**DATE :Aug2019**

### **Instructions to Candidates**

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attemptquestion ONE (Compulsory) and any other TWO questions.

**Do not write on the question paper.**

---

### **Question ONE**

- (a) The needs and operations of individual organizations will be reflected in their stock record system and no general system could be designed to cover every need. However there are some basic factors that any system would have to consider, explain them. (10 marks)
- (b) State the duties and responsibilities of the store manager. (5 marks)
- (c) Explain the key factors influencing the choice of a storage system. (10 marks)
- (d) Differentiate between periodic review system and fixed system. (5 marks)

### **Question TWO**

- (a) Identify the advantages obtained during inspection of stores (10 marks)
- (b) Materials are supplied from the stores to the various departments in an organization. Explain the procedure of issue of materials in an organization. (10 marks)

### **Question THREE**

- (a) Using appropriate examples differentiate between the Kodak system and the Numerical system of codification. (8 marks)
- (b) Explain six reasons as to why organizations keep inventories. (12 marks)

### **Question FOUR**

- (a) Explain the factors underlying successful functioning of stores department. (10 marks)
- (b) Explain the demerits of codification system in an organization. (10 marks)

### **Question FIVE**

- (a) Mutindwa shoe shop has an annual demand for shoes of 2,000 tons per annum. The cost per ton is 20 \$ and stock holding is 25% per annum of the stock value and the delivery cost per batch is 2\$.
- i) Calculate the EOQ of Mutindwa. (5 marks)
- ii) Explain the relationship of the costs involved in the EOQ. (5 marks)
- iii) State the problems that are associated with EOQ based system. (5 marks)
- (b) State Five causes of stock discrepancies in a store. (5 marks)