TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Accounting & Finance

UNIVERSITY EXAMINATION FOR:

BACHELOR OF SUPPLY CHAIN MANAGEMENT

BPC 4204: SUPPLY CHAIN FINANCIAL MANAGEMENT

END OF SEMESTER EXAMINATION

SERIES: APRIL 2025

TIME: 2 HOURS

DATE: Pick DateApr2025

Instructions to Candidates

You should have the following for this examination

-*Answer Booklet, examination pass and student ID*

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

Do not write on the question paper.

Question ONE

a) Firms strive to achieve the core mandate for which they were formed. Discuss these mandates. (8 Marks)

b) Projects A, B, C and D have initial capital outlays of sh. 36,000 each. The cash flow for each project is as indicated below:

Project	Year 1	Year 2	Year 3	Year 4
A	18,000	6,000	12,000	4,000
B	20,000	16,000	0	0
C	24,000	6,000	12,000	0
D	16,000	20,000	2,000	2,000

Required:

i. Pay Back Period of each project (12 Marks)

ii. Assuming the maximum payback period is 2 years, which project should be selected and why? (2 Marks)

c) With reference to market analysis, briefly describe the contributions of financial markets to the supply chain sector in Kenya. (8 Marks)

Question TWO

a) The composition of a firm's capitalization is reliant on key factors at the disposal of the entity. Discuss. (10 marks)

b) You decided to invest in a portfolio consisting of 35% Stock A, 35% Stock B, and the remainder in Stock C. Based on the following information, what is the expected return on your portfolio? (10 marks)

State of Economy	Probability of State Economy	Return if State Occurs		
		Stock X	Stock Y	Stock Z
Recession	0.23	-17.6%	-3.3%	-22.2%
Normal	0.45	11.4%	7.9%	16.5%
Boom	0.32	27.4%	15.2%	31.1%

Question THREE

a) Supply chain finance has faced tremendous backlash in the modern-day economies. Discuss (10 marks)

b) Finance is the life blood to the realization of business objectives. Briefly, examine the internal sources of financing a business enterprise. (10 marks)

Question FOUR

a) The Maha Cutlery Outlet sells dinner sets. It provides you with the following information:

Maximum demand: 200 per week
Average demand: 160 per week
Minimum demand: 145 per week
Maximum lead time: 2 weeks
Average lead time: 1.5 weeks
Minimum lead time: 1.35 weeks
Re-order quantity per order: 500 dinner sets
Safety stock: 184 dinner sets

Calculate.

i. Re-order stock level (3 Marks)

ii. Maximum stock level (2 Marks)
iii. Minimum stock level (2 Marks)
iv. Danger stock level (2 Marks)
v. Average stock level (1 Marks)

b) Define Supply chain finance and discuss THREE elements of supply chain finance. (10 Marks)

Question FIVE

a) Business concern needs constant inventory supply to enhance completion of its cycle for the normal conduct of business. Analyze the motivations to a business to hold inventory. (8 Marks).

b) Technological advancement has **pros** and **cons** in the field of financial management. This has led to a noticeable milestone in the business world and moreso in the Supply Chain Financial Management. Discuss. (12 marks).