**MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**P.O. Box 972-60200 – Meru-Kenya.**

**Tel: 020-2069349, 061-2309217. 064-30320 Cell phone: +254 712524293, +254 789151411**

**Fax: 064-30321**

**Website:** [**www.must.ac.ke**](http://www.must.ac.ke) **Email:** **info@must.ac.ke**

**University Examinations 2015/2016**

FIRST YEAR, SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF PURCHASING AND SUPPLIES MANAGEMENT

**BBS 3175: SUPPLIES AND MATERIALS MANAGEMENT II**

**DATE: AUGUST, 2016 TIME: HOURS**

**INSTRUCTIONS:** *Answer question* ***one Compulsory*** *and any other* ***two*** *questions.*

**QUESTION ONE (30 MARKS)**

1. State and explain five types of logistics as applied in supplies and materials management by organization. (10 Marks)
2. Explain your understanding of the following concepts as applied in materials management (10 Marks)
3. Supplies
4. Reverse logistics
5. Supply chain management
6. Economic order quantity (EOQ)
7. Purchasing
8. Discuss five problems addressed by supply chain management in the area of supplies and materials management. (10 Marks)

**QUESTION TWO (20 MARKS)**

1. Outline the benefits/ advantages of materials management to both manufacturing and service organizations. (10 Marks)
2. State and explain the functions played by inventories in an organization. (10 Marks)

**QUESTION THREE (20 MARKS)**

Companies today are paying a great deal of attention to the ‘organizations ethical supply chain’. State and discuss four ethical issues that would be likely to have a bearing upon a company’s commercial relationship with its suppliers. (20 Marks)

**QUESTION FOUR (20 MARKS)**

1. Outline the best practices in supply chain management and how they can improve materials management in an organization. (10 Marks)
2. Discuss five methods used in forecasting demand for supplies and materials in an organization. (10 Marks)

**QUESTION FIVE (20 MARKS)**

Holding inventory has a huge cost implication to an organization. Discuss various costs associated with keeping inventory in an organization. (20 Marks)