



ORDINARY UNIVERSITY EXAMINATIONS 2015/2016
EXAMINATION FOR Y3S2
DEGREE OF PURCHASING AND SUPPLIES MANAGEMENT

COURSE CODE: HPS 2313

COURSE TITLE: MATERIAL HANDLING AND STORE MANAGEMENT

DATE: TIME: 2 HOURS

INSTRUCTION TO CANDIDATES

Question one (1) is compulsory

Answer **any other two** (2) questions



MRUC IS ISO 9001:2008 CERTIFIED

Question 1

One company has 6 trucks to distribute their products to 12 small customers on daily basis upon hiring of a new transport manager he recommended the company to maintain only 3 trucks to do the same workload efficiently.

(i). Considering transportation network discuss how the new manager would ensure the company's distribution efficiency.

(10mks)

(ii). The company management during its organization performance evaluation notices that their losses are incurred as a result of high costs incurred in repairing and maintenance of handling equipment. Advise the company on care and maintenance of material handling equipment.

(10mks)

(iii). what conditions would you recommend to be observed in the storeroom layout to improve on its efficiency.

(5mks)

(iv). Identify two broad classification of material handling equipment the company should adopt, siting two examples per category.

(5mks)

Question 2

A company is encouraged to adopt all shipment via intermediate transit point with cross-docking. Being the transport manager.

a). Discuss the network and evaluate its viability considering the networks advantages.

b). Discuss at least two of your responsibilities as an executive transport officer. (5mks)

Question 3

a). As a head of stores department discuss with your storekeeper his duties and responsibilities.

(15mks)

b). Explain to a new storekeeper in your company storeroom layout objectives.

(5mks)

Question 4

During restructuring of stores department its established the need for material control.

a). Discuss some of the control processes activity you would consider.

(10mks)

b). Discuss any 3 techniques you would adopt in ensuring inventory control.

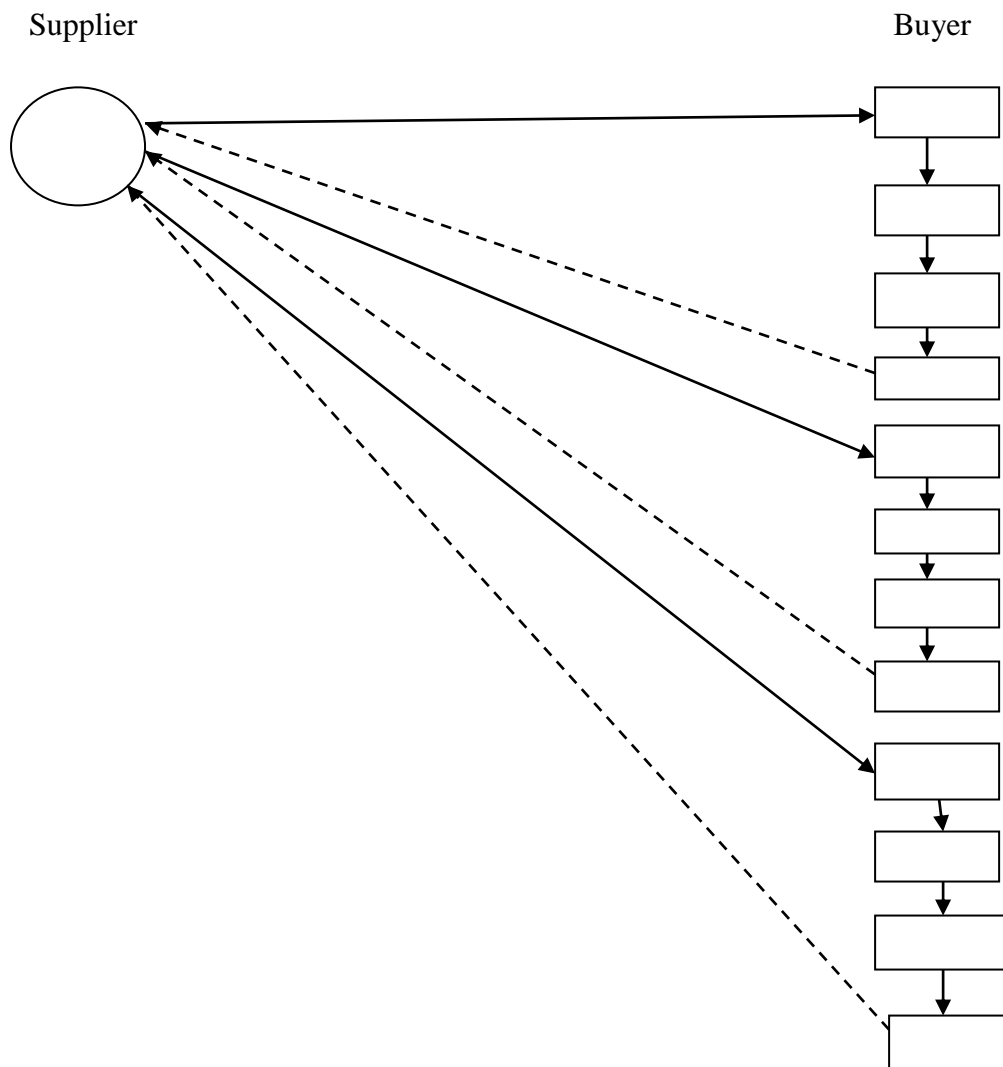
(10mks)

Marking scheme

Question 1

i). The company could adopt milk run distribution by ensuring the 3 trucks carries maximum which could be distributed to the different customers per trip.

Example



ii). Maintenance

Material handling cannot be eliminated in a company but can be reduced to minimum. The equipment proper care and maintenance involves:-

- All lifting machines to be marked with safe working load
- Regular proper servicing and maintenance
- Cranes with movable sib to be provided with automatic load radius which driver can clearly see.
- Warning bells to be fitted to indicate when load exceeds normal limit. (10mks)

iii). Storeroom layout conditions

- Divided into rows and columns
- Divide it into sections
- Properly a rotted numbers to bays, rows or columns
- Small items kept in closed bins
- Proper arrangements for receipts and issues.
- Entry of un authorized persons to be watched. (5mks)

iv). Broad classification

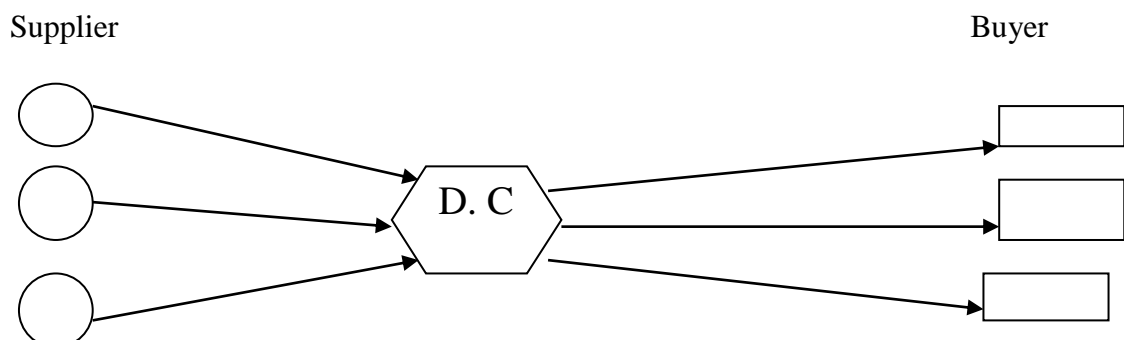
- Power driven equipment -Fork-lift & tractors
 - Hand driven equipment -Hand trucks & pallet trucks
- (5mks)

Question 2

A company is encouraged to adopt all shipment via intermediate transit point with cross docking.

a). As the transport manager discuss the network and evaluate its viability considering the networks advantages.

- The net work involves no storage of goods. They are sent cross docked and sent to the buyer.



Advantages

- Little inventory needs to be held
- Products flow faster
- Cross docking saves on handling cost
- Appropriate when economies of scale in transport can be achieved

b). Responsibilities of executive

- Safe rapid and economic transportation of incoming and outgoing materials
- Efficient and skillful operations of the department
- Negotiations with carriers
- Allied matters connected with the department

Question 3

a). Duties and responsibilities of storekeeper

Duties

- Moral or legal obligation
- Receiving materials
- Keep materials in right place and manner
- Maintain, complete up to date and correct records
- Replenish stock
- Advise management on day to day affairs of the stores

Responsibilities

- Act of doing things without detailed guidance
- Responsible for keeping materials at the right place
- Issue of stores
- Any delft, pilferage or damage in the stores
- Offering facilities to stock verifiers to any irregularity detected.

b). Objectives of storeroom layout

- Minimum handing of materials
- Minimum material transportation

- Minimum travel and waste motion for store staffs
- Maximum use of available resources
- Flexibility to expansion

Question 4

a). Material control activities

- Assessment of stock to be held per production schedule
- Decision of the extent of stock to be held
- Procurement of stock from suppliers
- Storage facilities available
- Issue of materials
- Follow up

b). Techniques of inventory control

1. Fixed order system

- Materials replenished as per when required
- Bin card, stores record card, allocation method, demand and supply

2. Twin bin system

- Based on the segregation of the total two-bins-one
- Sufficient to satisfy demand between the arrival of order and placing of next order.

3. Kadrex method

- An improved form of loose leaf ledgers
- Most recent compared to all others