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**University Examinations 2015/2016**

FIRST YEAR SECOND SEMESTER EXAMINATION FOR DIPLOMA IN PURCHASING AND SUPPLIES MANAGEMENT

**BBD 2153: SUPPLIES AND MATERIALS MANAGEMENT I**

**DATE: NOVEMBER 2015 TIME: 11/2 HOURS**

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

**QUESTION ONE (30 MARKS)**

1. Explain the specific functions that the materials manager performs in the manufacturing industry. (8 Marks)
2. Discuss in detail the purposes of a specification (4 Marks)
3. Explain in profundity the sources of information relating to potential suppliers (6 Marks)
4. Supplier appraisal is known to be situational that is, what to appraise is related to the requirements of a particular purchaser. Most companies view supplier appraisal to be time consuming and costly activity. Briefly discuss any six (6) situations in which appraisal are essential. (6 Marks)
5. What are the factors that need to be considered when deciding on the location for stockyards?

(6 Marks)

**QUESTION TWO (20 MARKS)**

1. Explain the measures for eradication of unethical practices in purchasing in an organization (7 Marks)
2. Explain the eight (8) dimensions of quality (8 Marks)
3. Differentiate Minimum stock level from Re-order tock level (5 Marks)

**QUESTION THREE (20 MARKS)**

1. Supplier development in world class firms is proactive and it focuses on helping suppliers retain the learning that occurs in the development process to help them improve their own systems. In a nutshell, discuss the purposes of supplier development programme. (7 Marks)
2. Explain the advantages of quality control and assurance to a manufacturing firm. (7 Marks)
3. Differentiate capital expenditure from revenue expenditure by providing relevant examples. (6 Marks)

**QUESTION FOUR (20 MARKS)**

Discuss any five (5) modern inventory management techniques that a manufacturing firm could advocate to use in order to avoid inventory surplus/shortage. (20 Marks)

**QUESTION FIVE (20 MARKS)**

Write short explanatory notes on the following terms as used in supplies and material management:

1. Partnership sourcing. (4 Marks)
2. Reciprocal trading. (4 Marks)
3. Counter trade. (4 Marks)
4. Subcontracting. (4 Marks)
5. Quality control. (4 Marks)