



The Co-operative University of Kenya
END OF SEMESTER EXAMINATION SEPTEMBER - 2022
EXAMINATION FOR THE DEGREE BACHELOR OF PURCHASING AND SUPPLIES
MANAGEMENT
(YR IV SEM I)
UNIT CODE: BPSM 4209
UNIT TITLE: LOGISTICS IN SUPPLY CHAIN

DATE: 1ST SEPTEMBER, 2022

TIME: 9:00 AM – 11:00 AM

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

QUESTION ONE

- (a) Inventory typically represents the second largest components of logistics cost after transportation. The risks associated with holding inventory increases as inventory moves down the supply chain closer to the customer.
- i. Explain the meaning of the term ‘logistics.’ (2 marks)
 - ii. Briefly outline **THREE** reasons that may explain why inventory holding risks increase down the supply chain. (3 marks)
 - iii. Describe how the total cost concept can be applied in logistics to understand logistics cost. (4 marks)
 - iv. When the total logistics cost reductions are achievable, the warehouse is economically justified. Explain four economic benefits of having a warehouse in logistics. (8 marks)
 - v. Describe the role of logistics in supply chain management. (5 marks)
- (b) Discuss any **FOUR** documents used in international and local transport in logistics management. (8 marks)

QUESTION TWO

Lead time refers to the time taken between placing an order and receiving the order in the organization.

Required

- (a) Discuss any **FIVE** common problems affecting lead times in an organization (10 marks)
- (b) Write short notes on the term expediting with reference to logistics. (2 marks)
- (c) Describe any methods of expediting used in logistics. (8 marks)

QUESTION THREE

- (a) Define the term ‘logistics outsourcing’ and briefly explain four factors that drive organization to logistics outsourcing. (10 marks)
- (b) Logistics is continuously changing at a faster rate than ever before to meet new challenges in the dynamic environment. Explain five current trends in logistics. (10 marks)

QUESTION FOUR

As a stores assistant, you are becoming concerned with the range of items, being held in the store which has been increasing significantly. The store’s manager has arranged to meet you to know what is happening in the stores.

Required

- (a) Define the term ‘store’ and explain how it is different from a warehouse. (5 marks)
- (b) Give five reasons why stock proliferation may be occurring in the store and suggest possible solutions. (10 marks)
- (c) Explain five functions of stores department the organization. (5 marks)

QUESTION FIVE

- (a) Packaging is primarily customer driven from a marketing perspective from logistics perspective, the main concern is packaging for efficient logistical processing that affects the overall supply chain performance. Explain how handling efficiency is influenced by package design.(10 marks)
- (b) Discuss in detail how an organization can achieve competitive advantage through logistics. (10 marks)