

1. (a) Explain the measures which a warehouse manager may institute to enhance the performance of the production department in an organization. (10 marks)
(b) Explain **five** circumstances that may necessitate the use of "free issue method" for stocks in an organization. (10 marks)
2. (a) Materials coding systems in large organizations are usually automated. Explain the reasons for the automation. (10 marks)
(b) Explain the factors that may contribute to the failure of inspection process in an organization. (10 marks)
3. (a) Kinshar Company Limited prefer the use of zonal stock location method in its warehouse. Explain the factors that could have led to the preference. (10 marks)
(b) Dynamix Company Limited has made a decision to change the stores layout. Highlight **five** reasons that might have contributed to the decision. (10 marks)
4. (a) Packaging is one of the materials preservation methods. Explain the factors which may account for the preference of the method in materials management. (10 marks)
(b) Explain **five** logistical aspects of packaging activity in a large manufacturing firm. (10 marks)
5. (a) Explain the safety precautions that should be observed when using forklifts in a warehouse. (10 marks)
(b) "Just In Time" (JIT) approach of inventory control is not adopted by some firms. Highlight the factors that could be hindering the adoption. (10 marks)
6. (a) Explain the factors that a warehousing manager could consider when facilitating reduction in leadtime. (10 marks)
(b) Manual stock recording systems are used by some firms despite the current technological advancements. Explain **five** circumstances that may account for the situation. (10 marks)
7. (a) Explain the nature of preparation an organization should undertake before a stock-taking exercise. (10 marks)
(b) One of the major costs at Adam's Company Limited is settlement of claims against deaths and injuries of its warehouse staff. Explain **five** ways of reducing the cost. (10 marks)

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2903/107

**WAREHOUSING OPERATIONS
AND STOCK CONTROL**

July 2017

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL
DIPLOMA IN SUPPLY CHAIN MANAGEMENT
MODULE I

WAREHOUSING OPERATIONS AND STOCK CONTROL

3 hours

INSTRUCTIONS TO CANDIDATES

This paper consists of SEVEN questions.

Answer any FIVE questions in the answer booklet provided.

All questions carry equal marks.

Candidates should answer the questions in English.

This paper consists of 2 printed pages.

Candidates should check the question paper to ascertain that both pages are printed as indicated and that no questions are missing.

1. (a) Explain **five** challenges that may be faced in a warehouse when using an inappropriate stock location system. (10 marks)
- (b) Highlight **five** factors the receiving clerk should take into account before unloading a consignment from a supplier. (10 marks)
2. (a) Outline **five** ways in which an organisation may classify its materials for coding. (10 marks)
- (b) Outline **five** roles played by warehousing section to the production department. (10 marks)
3. (a) Outline **five** salient features of a good stores layout, (10 marks)
- (b) It is the practice in warehousing operations to prepare several copies of Material Issue Notes for distribution to various sections in an organisation. Explain **five** uses of such copies. (10 marks)
4. (a) Uzima Company Limited has been using secondary packaging for its products. Explain **five** reasons that could have led to the practice. (10 marks)
- (b) Explain **five** factors that an organisation may consider before determining the amount of stock to hold. (10 marks)
5. (a) Bondeni Company Limited carries out materials preservation in its warehouses. Explain the benefits of this practice to its customers. (10 marks)
- (b) Explain the importance of safety practices in a warehouse. (10 marks)
6. (a) Explain **five** benefits that an organization may derive from maintaining accurate stock records. (10 marks)
- (b) Mapema Company Limited, a manufacturing firm, has adopted a mechanical handling system for its materials. Explain **five** reasons that could have led to the decision. (10 marks)
7. (a) Highlight **five** assumptions underlying the use of Economic Order Quantity(EOQ) model of inventory control. (10 marks)
- (b) Explain **five** reasons that may make it necessary to use a team in a stocktaking exercise. (10 marks)

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