

UGANDA MATRYS UNIVERSITY –NKOZI

School of Business & Management

PAPER : Supply Chain Management

Course code : PSM 1206

Instructions

- ✓ Section A is compulsory
- ✓ Attempt any TWO questions from Section B
- ✓ Use clear and relevant examples

SECTION A (Compulsory)

Case: MACDOUGH (MACDO) FOODS SUPPLY CHAIN

MACDO foods produces a range of products that include tomato and chilli sauces. To produce the Tomato Sauce, tomatoes and red pepper are purchased from large-scale farmers in villages who once in a while buy them from “smaller” farmers to meet the quantity requirements of MACDO LTD. From the large-scale farmers, the tomatoes are taken to TD PROCESSORS who semi – process the tomatoes and pass on the “semi – processed” product to MACDO to make the final product. MACDO also procure packaging materials from Riley packers who are known dealers in such materials. Prices of sugar, which is one of our main ingredients, are high yet it is not easy to match it in prices due to the ever growing informal markets says the MD Macdough foods. The tomato sauce business is characterized by unstable prices, especially when tomatoes are out of season. However, Riley recently complained of delays and scarcity of materials for production of packaging materials from their major distributors GF due to the tight regulations in the country which has made it expensive to access good packaging materials, but with the establishment of the plastic wing, the problem is being solved. When the final product has been produced and packed, it is transported to the major distributor who then supply wholesalers and supermarkets who in turn supply retailers and hotels. MACDO contracted CK transporters to transport materials from TD up to the major distributors. A warehousing need has been identified by the major players within the supply chain as a way of minimizing on the risks of shortage of materials.

Questions One

- a. Draw a supply chain for the tomato sauce. (11 marks)
- b. Describe THREE major supply chain activities that MACDO can undertake to ensure smooth flow of supply chain activities. (6 marks)
- c. Explain FOUR benefits of effectively managing the supply chain of MACDO. (8 marks)

Question Two

- a. Identify and explain FOUR supply chain risks that MACDO is likely to encounter in the process of acquiring their goods and services. (8 marks)
- b. Examine FOUR strategies an organization like MACDO can adopt to address the negative impacts of the highlighted risks. (8 marks)
- c. Identify the number of tiers the MACDO supply chain has and explain THREE benefits of supplier tiering. (9 marks)

SECTION B

Question Three

- a. Explain Supply Chain enabler as applied in supply chain and discuss FOUR SC enablers that organizations should have in place to ensure smooth flow of activities. (10 marks)
- b. Examine the THREE types of flows in supply chains and explain how useful they are. (7 marks)
- c. Assess FOUR circumstances under which risk may be accepted by organizations within a given supply chain. (8 marks)

Question Four

- a. Discuss FOUR major activities undertaken within a warehouse clearly explaining how important they are to organizations. (9 marks)
- b. Examine FOUR factors that may influence a firm's decision on whether to go for private or public warehousing. (8 marks)
- c. Examine FOUR major functions of warehousing within supply chains. (8 marks)

Question Five

- a. Assess FOUR major challenges that buying organizations may encounter in the process of managing their supply chains. (8 marks)
- b. Recommend FOUR measures that organizations can put in place to mitigate the negative consequences of the above identified challenges. (8 marks)
- c. Examine the contributions of perpetual stock verification method to organizations dealing in a variety of goods and services. (9 marks)

Question Six

With clear examples, explain the following terms as applied in supply chain management

- a. Supply chain network structure (5 marks)
- b. Downstream and upstream supply chain flows (5 marks)
- c. Agile supply chain (5 marks)
- d. Stock holding costs and stock ordering costs (5 marks)
- e. Inventory classification and stock control (5 marks)

END
