

# CENTRAL UNIVERSITY

## RESIT EXAMINATIONS

2017/2018



MANAGEMENT & PUBLIC ADMINISTRATION

CBMG301

**PROCUREMENT AND LOGISTICS MANAGEMENT (3 CREDITS)**

LEVEL 300

**SESSION: MORNING, EVENING AND WEEKEND**

**DURATION: 2 HOURS**

STUDENT ID No: .....

### INSTRUCTIONS:

**Section A: Answer any FOUR (4) questions**

## **PROCUREMENT & LOGISTICS**

**Resit-Examinations 14/06/18**

**Please answer ONLY four (4) questions out of the six (6).**

**All questions carry equal marks. Each question is awarded twenty (20) marks**

### **QUESTION 1: ABC Analysis For Inventory Management: (25marks)**

- A) What is ABC analysis and how does it work?
- B) Tg Corporation. is considering doing an ABC analysis on its entire inventory but has decided to test the technique on a small sample of 15 of its SKU's. The annual usage and unit cost of each item is shown below.

<b>ABC Problem Data</b>		
<b>Item</b>	<b>Unit \$ Value</b>	<b>Annual Usage (in units)</b>
101	12	80
102	50	10
103	15	50
104	50	40
105	40	80
106	75	220
107	4	250
108	1.5	400
109	2	250
110	25	500
111	5	450
112	7.5	80
113	3.5	250
114	1	1200
115	15	300

- i. Design an ABC Analysis solution table for Tg Corp, and classify its inventory items according to the principle of Vilfredo Pareto, advising Tg Corp what policies to apply to each classification.

### **QUESTION 2: Warehousing Management & Procurement (25 Marks)**

- a) Name the product handling functions in a warehouse and discuss each.
- b) Discuss the steps and significance negotiation in Procurement Management.

#### **QUESTION 4: Legal Aspects of Contracts / Transportation Management**

Discuss the case, "Great Northern Railway v Witham 1873" in light of the six (6) elements of a valid contract. State the judgement that was given, run commentary on it and state the key principle identified in the case. (25 marks)

#### **QUESTION 5. Inventory Management**

- a. Explain any three functions of inventory.
- b. List any five inventory risk.
- c. Discuss the four basic costs associated with inventory management. (25 marks)

#### **QUESTION 6. Procurement Management**

- a. Outline the different steps in procurement cycle.
- b. Enumerate any three of the procurement objectives (5rs). (25 marks)