



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2023/2024 ACADEMIC YEAR

**FIRST YEAR FIRST SEMESTER EXAMINATION FOR DIPLOMA IN
SUPPLY CHAIN MANAGER LEVEL 6 (TVET)**

**BUS/OS/SC/CR/02/6/A – OVERSEE WAREHOUSING OF PROCURED
GOODS**

DURATION: 3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Answer Any Four questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

QUESTION ONE (40 MARKS)

SECTION A: ANSWER ALL QUESTIONS IN THIS SECTION (40 MARKS)

- a. Identify five factors that an organization would consider when developing a warehouse design (5 marks)
- b. List five (5) documents used in warehousing operations (5 marks)
- c. State five (5) ways in which goods in the warehouse may be classified (5 marks)
- d. Outline five methods that an organisation may use to control pests in its warehouse (5 marks)
- e. You have been hired as a storekeeper at ABC Company. Identify five (5) occupational safety and health procedures you may observe to keep the warehouse safe (5 marks)
- f. List three storage and handling equipment that may be found in a warehouse (3 marks)
- g. Identify three ways of storing high-value goods in a warehouse (3 marks)
- h. Outline three (3) types of warehouse design (3 marks)
- i. State three quantitative methods of demand forecasting (3 marks)
- j. Outline three risk measures that a company may put in place to mitigate risk.

SECTION B: ANSWER ANY THREE QUESTIONS

- a) Explain five (5) consequences of having an inappropriate arrangement of goods in a warehouse (10 marks)
- b) Ted’s television in Thika town has been in operation for 1 year. This was his inventory.

Month	Amount	Price (Ksh.)
Jan	100 units	800
Feb	100 units	800
March	100 units	825
April	100 units	825
May	100 units	825
June	100 units	850
July	100 units	850
August	150 units	875
September	150 units	875

October	150 units	900
November	150 units	900
December	150 units	900

Ted sold 110 units of television in the year; Calculate the cost of goods sold using:

- i. FIFO method (5 marks)
 - ii. LIFO method (5 marks)
1. .
 - a) Explain five (5) assumptions of Economic Order Quantity technique. (10 marks)
 - b) Explain five (5) factors to consider in choosing a stock taking method (10 marks)
 2. ..
 - a) Discuss five (5) types of inventory costs in an organization (10 marks)
 - b) Describe five (5) activities that are conducted in a warehouse (10 marks)
 3. .
 - a) Discuss five (5) advantages of using Average method of evaluation in an organization (10 marks)
 - b) Elaborate five (5) wastes that are reduced by using just in time inventory method (10 marks)