



# **MURANGA UNIVERSITY COLLEGE**

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

## **SCHOOL OF BUSINESS AND ECONOMICS**

**MAINCAMPUS**

### **ORDINARY UNIVERSITY EXAMINATIONS**

**JANUARY – MAY 2016**

**PROGRAMME: DIPLOMA IN BUSINESS MANAGEMENT**

**EXAMINATION: ORDINARY**

**UNIT CODE: DBP 1215**

**UNIT NAME: MATERIAL MANAGEMENT**

**DATE: 20<sup>TH</sup> APRIL 2016**

**TIME: 2 HOURS**

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#### **INSTRUCTIONS TO CANDIDATES**

Answer Question **ONE (1)** and any other **THREE**

## QUESTION ONE

- (a) Describe the role played by requisitioning to an organization. [4 marks]
- (b) Discuss **FOUR** ways in which sourcing supply from a multiple supplier is better than from a single supplier. [4 marks]
- (c) Describe **FOUR** reasons why business holds stocks. [4 marks]
- (d) Your organization intends to franchise instead of exporting. What demerit of exports would you forward to your board of directors. Explain **FIVE**. [5 marks]
- (e) Describe **FOUR** causes of accident in an organization. (4 marks)
- (f) Ouma gives the following information concerning his business for product:  
Annual usage 2000 cost of one order 20, cost of storage 25% cost per unit sh2  
Calculate economic order quantity. [4 marks]
- (g) Inspection of material is a must for every organization. Explain benefits of inspection of goods. [3 marks]
- (h) Explain areas standards may relate. [2 marks]

[Total 30 marks]

## QUESTION TWO

- (a) Describe **FIVE** costs involved in holding stocks. [10 marks]
- (b) Discuss **FIVE** factors which may be considered in formulating stock record system. [10 marks]

[Total 20 marks]

## QUESTION THREE

- (a) Describe benefits and disadvantages of JIT system of material controller planning
- (b) Discuss **FIVE** aspects which should be taken into account when stock taking.

[Total 20 marks]

## QUESTION FOUR

- (a) Discuss factors which may be considered in selecting a distribution system.
- (b) Describe causes of stock deterioration.

[Total 20 marks]