



MURANG'A UNIVERSITY COLLEGE
(A Constituent college of Jomo Kenyatta University of Agriculture and Technology)
SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT: COMMERCE

ACADEMIC YEAR: 2015/2016

CAMPUS: MAIN

EXAMINATION: SUPPLEMENTARY\PROGRAMME: DIPLOMA IN BUSINESS
MANAGEMENT/PROCUREMENT

YEAR OF STUDY: YEAR 2 SEMESTER 1

UNIT NAME: MATERIAL MANAGEMENT

UNIT CODE: DBP 1215

DATE:

TIME: 2 HOURS

INSTRUCTIONS:

ANSWER QUESTION *ONE* AND ANY OTHER *TWO* QUESTIONS

QUESTION ONE

(a) Highlight contents of purchase requisition. [5 marks]

(b) Explain *FIVE* sources of information a materials manager would obtain information from. [5 marks]

(c) Company L Ltd uses economic order quantity method of stock control using the information for material Y below calculate E or Q

Annual usage = 2000 units storage costs = sh0.25

Cost of one order =sh 20 cost unit = sh 2 [5 marks]

(d) Highlight *FIVE* types of information which would be found in a typical record card. [5 marks]

(e) Highlight *FIVE* external factors that affect planning for organization. [5 marks]

(f) Explain *FIVE* benefits which a store would obtain from multiple source of supply. [5 marks]

[Total 30 marks]

QUESTION TWO

(a) As a newly recruited manager in High production co ltd explain *FIVE* factors you would consider in order to determine quantities of stock to hold. [10 marks]

(b) Explain *FIVE* merits of computerized record system. [10 marks]

[Total 20 marks]

QUESTION THREE

(a) Explain requirement for JIT system to work in an organization. [10 marks]

(b) Describe classification of stock according to purpose. [10 marks]

[Total 20 marks]

QUESTION FOUR

(a) Discuss *FIVE* ways management of an industrial organization may orient staff for effective control on quality of purchased materials. [10 marks]

(b) Discuss planning cycle and materials management. [10 marks]

[Total 20 marks]