

QUESTION ONE

A multinational company operating in different countries has its headquarter in Washington. The company requires setting up stores in every country of their operations. The company has approached you for consultancy give your professional and technical advice on various issues facing the company.

a). Why should the company consider store organization as a function?

(5mks)

b).The management wishes to advertise for positions in the stores department, what ethical attributes of the prospective employees should be sought?

(5mks)

c).One of the key investors believes the stores layout modifications are inhabitable. What is he referring to and how would it contribute to the company's operations?

(5mks)

d). The company has plans to acquire equipment to ease handling of its materials. Highlight on care and safety precautions to ensure equipment efficiency

(5mks)

e).The company wishes its stores network will ensure efficiency in material planning. Outline 2 broad factors that would affect company's material planning giving at least 3 examples in each category.

(5mks)

f).For the company functions to be effective, transportation is inhabitable. Outline factors that would be considered in selecting company's mode of transport.

(5mks)

QUESTION TWO

a) In every store the company expects quality products confirmed by the inspection section. Outline the objectives of inspection.

(5mks)

b). Transport is a key factor in any organization. Identify the key elements in determination of cost of transport mode.

(10mks)

c). Write short notes on the following:-

i). package carriers

ii). intermodal transport

(5mks)

QUESTION THREE

a). Describe efficient store layout conditions and their outcomes.

(5mks)

b). Highlight duties and responsibilities you would assign to your storekeeper.

(15mks)

QUESTION FOUR

a). Discuss at least 5 guidelines on cost reduction in material handling.

(10mks)

b). Examine the conditions under which material rejection can arise at inspection unit.

(4mks)

b). Briefly describe benefits you would associate with inspection of materials.

(6mks)

Marking scheme

QUESTION ONE

- a). – To ensure smooth functioning of the whole enterprise
- For perfect co-ordination between functionaries in the department and other organization department.
 - To avoid all types of delays wastage and spoilage.
 - To reduce operational costs including time and effort.

- b). Attributes of storekeeping staff.
- Hardworking and painstaking individuals.
 - Extra ordinary honest, , pleasing personality and sweet temperament.
 - Have knowledge of accounts.
 - Have managerial qualities.
 - Conversant with material carried into the stores.
 - Poses basic academic qualifications.

- c). Layout is the internal arrangement of a store.

Aims

- To maximize utilization of available resources
- To achieve greater efficiency of the stores
- To allow easier accessibility to all materials
- To minimize spoilage, damage and other losses
- To allow use of lesser time in receipt, movement, placement and issue of materials.

- e). - Every lifting machine should be marked with safe work load and identification numbers.

- Cranes with movable jibs should have automatic load radius which driver can see clearly.
- Warning bells to indicate when the load has exceeded.
- Regular proper inspection and servicing.

- f). Internal factors/micro factors

Example; technology available, market demand, lead time and rejection rate, inventory levels, delegation of power communication system etc.

External/macro factors

Example; National policy, price trends, business cycle, monetary and fiscal policy of government etc.

QUESTION TWO

- a). - Maintain standards of quality of products
- To receive only right quantity of materials
 - Get value for money
 - Ensure a careful supplier
 - make purchase and store staff watch out .). - Cost of transport

- b)- Commodity value
- Size of shipment
 - Distance covered
 - Speed at which material is required etc.

c).

- i). Package carriers – The transport companies e.g. FedEx, postal services. Package carriers are expensive but offer rapid and reliable delivery alongside value added i.e. package and tracking and some cases processing and assembly of products.
- The mode focuses on location and capacity as well as scheduling and routing delivery trucks.

- ii). Intermodal
- Involves use of more than one mode to move shipment to its destination.
 - Intermodal has grown with increase use of containers.
 - This cannot be matched by any single mode.
 - The key issue in intermodal involves exchange of information to facilitate shipment transfer between different modes.

- Q3.** a). Store room should be divided into rows and columns –for easy location of materials.
- Divided into sections according to nature or classification of materials.
 - Small items should be stored in small closed bins to ensure their maximum safety.
 - Entry of un authorized persons should be strictly watched.
 - Should provide place to record keeper and inspection department.
 - Ensure proper arrangement for receipts and issue.

- b). Duties & responsibilities of a storekeeper
- Receiving materials
 - Keeping materials in the right place and manner
 - Maintaining up to date and complete records
 - Preserve materials to maintain their original value and quality.
 - Replenish stock

- Advise management on day to day absolute unserviceable and slow making items.

QUESTION FOUR

a). Cost reduction in material handling

- . **Reduce material handling to its minimum**
 - Careful planning
 - Better layout and handling design
 - Proper selection of handling equipment
 - Minimization of transport
- . **Logical sequence of operations**
- . **Centralized store**
 - Minimize handling
 - Store to plant distance
- . **Proper selection of handling equipment**
 - Equipment standardized to extent possible
- . **Minimize non-productive handling operations.**
 - Slings loading and unloading non-productive materials.
 - Scrap movement with help of magnetic cranes.
- . **Coordinated efforts**
 - Coordination between equipment selections
 - Personnel training
 - Material movement within plan needs.

b). Conditions on material rejection

Outright rejection - Material not conforming to specifications given in the order.

Return for replacement- Material returned for replacement.

. Technical/engineering adjustment.- qualified representation of the supplier visits the to the buyer to make necessary adjustment on faulty equipment.

iv). Price adjustment - If materials are usable though not strictly in accordance with the purchase specifications.

c). Advantages of inspection

- Maintains steady rate of development to its quality of materials.
- Enhanced market good will.
- Reduced cost of depreciation and repairs and renewal cost.
- Improved saving due to low cost curve.
- Raise production hence profitability.