



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR THE DIPLOMA IN
BUSINESS MANAGEMENT**

DBP 1215 – MATERIALS MANAGEMENT

DURATION: 2 HOURS

DATE: 8TH DECEMBER, 2017

TIME: 2.00 – 4.00 P.M.

Instructions to Candidates:

1. Answer **Question 1** and **Any Other Two** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION ONE - COMPULSORY

QUESTION ONE

- a) Outline four benefits which may accrue to an organization which uses formal material requisition. (4 marks)
- b) Explain four reasons why organization holds stocks. (4 marks)
- c) Computers are becoming increasingly popular as record system. List four short comings of use of such system. (4 marks)
- d) The following information is given to you reorder period 4-6 weeks RQ=25,000 units, max consumption 10,000 units, min consumption 4,000 unit. Calculate
 - (i) Reorder level (2 marks)
 - (ii) Minimum level (2marks)
- e) Highlight four aims of material control (4 marks)
- f) Highlight four demerits of Just In Time (JIT) stocking method (4 marks)
- g) Draw a simple forecast of materials budget (3marks)
- h) Explain three types of packaging (6 marks)

SECTION TWO – ANSWER ANY TWO QUESTIONS

QUESTION TWO

- a) Discuss four ways of minimizing redundancy of materials in organizations (8 marks)
- b) Explain four classes of materials issues in stores (6 marks)
- c) Describe four types of tender a store may issue (6 mark)

QUESTION THREE

- (a) Outline six checklists your store would use to evaluate supplier selection (6 marks)
- (b) Murang'a store intend to decide on level of materials it hold. Discuss four factors that would affect their decision to fix levels (6marks)
- (c) Describe stages in forward planning (6 marks)

QUESTION FOUR

- (a) Explain contents of a good contract for purchase of materials (6marks)
- (b) Discuss four aims of dispatch department (6 marks)
- (c) Expalin four benefits of standarisation in stores (8marks)