



KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2016/2017

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE

BMS 317: PRINCIPLES OF SUPPLY CHAIN MANAGEMENT

DATE: Thursday 24th November 2016

TIME: 4.30p.m -6.30p.m

INSTRUCTIONS

Answer question One (COMPULSORY) and any other Two Questions.

QUESTION ONE

Supply Chain Management (SCM) incorporates multiple processes and activities from suppliers to customers. With global competitive pressures, organizations have responded with a variety of business strategies to enhance customer value. While SCM tended to focus on vertical integration in the 1980s, businesses have aligned themselves horizontally. Among the SCM strategies is to fulfill a broader product mix to customers, global sourcing of components and global distribution to ensure cost effectiveness and time-based competitiveness while increasing customer responsiveness. The power shift in the supply chain to retailers and distributors, deregulation and globalization requires businesses to deal with multiple supply networks in order to be successful.

Successful organizations continue to adapt and to enrich value in their respective supply chain network as the market conditions evolve. The value of speed, quality, cost and flexibility in the supply chain is supported by coordinated infrastructure in supplier sourcing, logistics management, information systems, and customer relationship management. "Triple A" supply chain model emphasizes the elements of flexibility to enhance supply chain value by aligning, adapting and increasing agility through a network of players in the supply Chain network. Value is added most in the supply chain through collaborative partnerships that recognize contributions from the areas of processes, procedures, information, financial, management of knowledge, innovation and relationship management.

(a) Explain the supply chain processes in the context of the case.

(10 Marks)

- (b) Explain the enablers for successful supply chain management. (10 Marks)
- (c) Discuss the application of Agile supply chain principles in relation to the case. (10 Marks)

QUESTION TWO

- (a) Analyse the major risks that may be encountered in a supply chain and outline a strategy for each risk that can be used to mitigate its impact. (10 Marks)
- (b) Explain the specific performance measures of a supply chain that can help improve its efficiency and effectiveness. (10 Marks)

QUESTION THREE

- (a) Information Technology is increasingly being used in the supply chain operations. Explain the benefits that may accrue to an organization from using such technology. (10 Marks)
- (b) Explain the application of Supply Chain Operations Reference (SCOR) model in supply chain management. (10 Marks)

QUESTION FOUR

- (a) Using Porter's supply chain model, explain how an organization's supply chain can be used to create competitive advantage. (10 Marks)
- (b) Outline the objectives of Supply Chain optimization. (10 Marks)