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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2020/2021 ACADEMIC YEAR**  
**FOR THE CERTIFICATE IN PROCUREMENT AND SUPPLIES MANAGEMENT**  
**CPS 022 - POLICY AND ORGANIZATION OF SUPPLY**

Date: 18<sup>th</sup> December, 2020.  
Time: 8.30am – 10.30am

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- In your own understanding, differentiate between purchasing from procurement as major operations in supply chain management (4 Marks)
- Having read about supply chain management, how is “procurement process management” different from “procurement process” as activities undertaken by a supply chain organization. (4 Marks)
- As a student of procurement and supply chain, who understands demand and supply of various goods in the market place, what is the law of supply in the market place (3 Marks)
- Distinguish between the term “supply chain” and “supply chain management” in the world of international business among supply chain organizations. (4 Marks)
- How is a “warehouse” different from “warehousing” as terms used in supply chain management (4 Marks)
- Explain three levels of stocks that you are familiar with in supply chain (6 Marks)
- Highlight 5 benefits of effective supply chain management for a busy production company (5 Marks)

**QUESTION TWO (20 MARKS)**

- Describe the various operations and activities undertaken specifically by a purchasing department for a busy supply chain organization (14 Marks)
- What would you say, are the benefits of effective management of procurement processes within an organization (6 Marks)

**QUESTION THREE (20 MARKS)**

- Assume you to set up a new big storage or a warehouse facility in a new location along Thika road, what factors would you first consider before deciding on the exact location of the storage facility (10 Marks)
- Why would a wholesale shop involve itself in demand forecasting and management in its operations (10 Marks)

**QUESTION FOUR (20 MARKS)**

- What would you say are the reasons why warehouses or storage facilities exist in supply chain management (10 Marks)
- Discuss the benefits of effective inventory management for a busy retail company serving many customers (10 Marks)

**QUESTION FIVE (20 MARKS)**

- Having understood the world of supply chain management, what would you say are the challenges in managing supply chain operations (8 Marks)
- Discuss various factors that influence the supply of goods and services in the market place in supply chain management (12 Marks)