



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE

BMS 321: SUPPLIER QUALITY MANAGEMENT

DATE: 10/11/2020

TIME: 11:00 – 1:00 PM

INSTRUCTIONS:

Answer Question one and any other two Questions.

QUESTION ONE(COMPULSORY) (30 MARKS)

Read the case study below and answer the questions that follow.

INTERNATIONAL CONSULTING FIRM ASQ

Similar to the Six Sigma improvement process, TQM ensures long-term success by enforcing all-encompassing internal guidelines and process standards to reduce errors. By way of serious, in-depth auditing – as well as some well-orchestrated soul-searching – TQM ensures firms meet stakeholder needs and expectations efficiently and effectively, without forsaking ethical values. By opting to reframe the way employees think about the company’s goals and processes, TQM allows CEOs to make sure certain things are done right from day one. According to Teresa Whitacre, of international consulting firm ASQ, proper quality management also boosts a company’s profitability.

“Total quality management allows the company to look at their management system as a whole entity — not just an output of the quality department,” she says. “Total quality means the organisation looks at all inputs, human resources, engineering, production, service, distribution, sales, finance, all functions, and their impact on the quality of all products or services of the organisation. TQM can improve a company’s processes and bottom line.” Embracing the entire process sees companies strive to improve in several core areas, including: customer focus, total employee involvement, process-centred thinking, systematic approaches, good communication and leadership and integrated systems.

Yet Whitacre is quick to point out that companies stand to gain very little from TQM unless they're willing to go all-in.

“Companies need to consider the inputs of each department and determine which inputs relate to its governance system. Then, the company needs to look at the same inputs and determine if those inputs are yielding the desired results,” she says. “For example, ISO 9001 requires management reviews occur at least annually. Aside from minimum standard requirements, the company is free to review what they feel is best for them. While implementing TQM, they can add to their management review the most critical metrics for their business, such as customer complaints, returns, cost of products, and more.”

Required:

- a) Describe six factors which should be considered when establishing a quality culture in an organization (6 marks)
- b) State the challenges that staff tasked with specifications writing are likely to face (6 marks)
- c) Describe how Ishikawa diagram can be used for quality control in an organisation (6 marks)
- d) Companies may adopt JIT to complement their efforts to ensure quality to customers. State six limitations of JIT. (6 marks)
- e) As a consultant, State SIX benefits that may be derived from ISO 14000 certification. (6 marks)

QUESTION TWO (20 MARKS)

- a) The use of brand name is an alternative method of specifying quality to suppliers. Explain FIVE circumstances which would favour the use of this method. (10 marks)
- b) Explain FIVE factors that would lead to the preference of sampling inspection as opposed to whole batch inspection of materials. (10 marks)

QUESTION THREE (20 MARKS)

- a) Quality certifications may not be at all times a panacea to quality issues in organizations. In FIVE points discuss the statement. (10 marks)
- b) Describe the procedure that organizations should follow to acquire ISO 9001 certification (10 marks)

QUESTION FOUR (20 MARKS)

You have been approached by Shiloh Company limited as a consultant in quality management.

- a) Advise the management on the limitations of Value Engineering (VE) investigations. (10 marks)
- b) Describe the procedure the management of Shiloh can follow when undertaking Value analysis (10 marks)

QUESTION FIVE (20 MARKS)

- a) Describe the stages that are involved in the control of quality in a manufacturing organisation (10 marks)
- b) Inspection is critical in organizational efforts to control quality. Explain the measures that may be put in place to ensure efficiency of such inspections. (10 marks)