



MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE (PROCUREMENT OPTION AND SUPPLY CHAIN
MANAGEMENT)

BMS 320: STORAGE AND WAREHOUSING MANAGEMENT

DATE: 10/12/2021

TIME: 8.30-10.30 AM

INSTRUCTIONS:

This paper consists of FIVE questions

Answer question one and other two questions in this paper

Duration is 2 hours

QUESTION ONE (COMPULSORY)(30 MARKS)

Read the case of Syano Company limited and answer questions a, b, c, d, and e.

SYANO COMPANY LIMITED

As a consultant, you have been recently engaged by Syano Company limited to facilitate the codification of their incoming cereals from farmers. The cereals range includes maize, wheat, and rice. The approved package sizes by the company are 50 kilograms and 90 kilograms. The organization does minimal storage since once the cereals are received, they are supposed to be sorted out, packaged well, coded accordingly, and information entered into their databases and then cross-docked to their respective customers in the market. Their customers include a milling firm, a supermarket, and a hotel.

Task:

- a) Device a material codification system for Syano Company limited. (10 marks)
- b) Derive two codes using the devised system for wheat bought by the milling firm (4 marks)
- c) Explain the type of material code represented by the codes you have derived? (2 marks)
- d) Justify the basis of classification you have used to code the materials? (2 marks)
- e) Explain six principles which guided the material codification exercise. (12 marks)

QUESTION TWO (20 MARKS)

- a) Some organizations pursuing lean supply chain operations prefer the use of contract warehouses. Use five points to justify this statement (10 marks)
- b) Visual stock control techniques although they are traditional methods of controlling inventory, still some organizations make use of them to date. Use five points to validate their relevance. (10 marks)

QUESTION THREE (20 MARKS)

- a) Your company is planning for a benchmarking exercise for its warehousing activities. Explain FIVE steps that can be followed for the exercise (10 marks)
- b) Madox Brewery Limited has adopted the use of metallic drums for packaging their beer. Explain FIVE reasons that may have influenced such a decision. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Material handling is a potential area for cost reduction in organizations. Explain FIVE measures double handling of materials in a warehouse minimizes. (10 marks)
- b) The warehouse in Midwi Company limited uses the horse shoe layout. Explain FIVE reasons that could have led to this preference. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Mali Company limited is experiencing excessive accumulation of unwanted materials. Explain **five** reasons that contribute to the accumulation of such materials. (10 marks)
- b) Kaminxu Limited has been experiencing much loses and complaints due to inaccurate picking of customer orders from their warehouses. This is negatively affecting their image. As a warehouse manager propose FIVE measures that may enhance accuracy of stock picking operations. (10 marks)