



MACHAKOS UNIVERSITY

University Examinations 2021/2022 Academic Year

**SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM
MANAGEMENT**

DEPARTMENT OF BUSINESS ADMINISTRATION AND FINANCE

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR
BACHELOR OF COMMERCE (PROCUREMENT OPTION)**

BMS 319: PRINCIPLES OF LOGISTICS MANAGEMENT

DATE: 24/8/2022

TIME: 8.30-10.30 AM

INSTRUCTIONS

Attempt Question ONE and any other TWO question

QUESTION ONE (30 marks)

DENNISTON SPICES

Founded in 1903 by Walter J. Dennisston, Dennisstone Spices was a global leader in food industry - manufacturing, marketing, and distributing a wide variety of spices, mixes, condiments, and other seasoning products to the retail, commercial, and industrial markets. Headquartered in Chicago, the company had sales revenues of \$5.5 billion and sold its products in more than 100 countries world-wide. Its customers included retail outlets, food manufacturers, restaurant chains, food distributors, and food service businesses. Dennisston Spices was also a leading supplier of private label items.

The Phoenix plant manufactured and distributed spices, herbs, extracts, and seasoning blends to retail and industrial customers in the southwest United States. Amy Lin was responsible for managing approximately 300 stock – keeping units (SKUs) consisting of spices and compounds, purchased from Whittingham Foods which was the sole supplier for these products. All SKUs supplied to the Phoenix plant came from their Indianapolis facility.

Amy Lin, material planner at Denniston Spice, in Phoenix, Arizona, was faced with an important problem caused by a supplier who was implementing a new ERP System. It was Tuesday, April 9, 2014, and during a call the previous day from Juan Aranda, sales manager at Whittingham Foods, Amy learned that potential problems might occur starting in September as the new system was implemented at the Whittingham's Indianapolis Plant.

Using the case as a reference point:

- a) Discuss five measures that Amy may implement in order to avert the problem. (10 marks)
- b) Discuss five aspects that may have been considered before the decision to adopt such an ERP system in the case. (10 marks)
- c) Explain any five benefits that may accrue to the Denniston Spices from the adoption of an appropriate ERP system. (10 marks)

QUESTION TWO (20 MARKS)

- a) Discuss FIVE ways in which, e-logistics may be a strategy for achieving green logistics for an organisation. (10 marks)
- b) In five points, differentiate between Third party Logistics (3PLs) providers and Fourth party logistics (4PLs) providers. (10 marks)

QUESTION THREE (20 MARKS)

- a) In FIVE points, explain whether logistics constitutes the primary or the secondary activities for an organization according to Value Chain Concept (Porter 1985). (10 marks)
- b) Explain FIVE characteristics of an efficient Logistics Information system (LIS). (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain five measures that may be put in place to ensure optimal routing and scheduling of transportation vessels for an organisation. (10 marks)
- b) Appropriate Packaging may have an influence on the performance of a logistical function for an organisation. Explain FIVE considerations when designing packaging system for industrial use. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Multimodal transport operations are crucial in global logistics. With the use of FIVE points, justify this statement. (10 marks)
- b) An organisation that is considering to adopt Containerisation of its cargo movement internationally has approached you for an advice. In FIVE points, advise them about the types of containers available and the factors to consider when choosing the most appropriate. (10 marks)