



# MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY

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## University Examinations 2023/2024

SECOND YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF  
BACHELOR OF COMMERCE AND BACHELOR OF PURCHASING AND SUPPLIES  
MANAGEMENT

### BBS 3278: PROCUREMENT AND LOGISTICS MANAGEMENT

DATE: APRIL 2024

TIME: 2 HOURS

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INSTRUCTIONS: Answer question *one* and any other *two* questions

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#### QUESTION ONE (30 MARKS)

- Describe the procurement process highlighting the specific activities performed at each stage. (10 Marks)
- Identify five costs associated with holding inventory in an organization. (5 Marks)
- Enumerate five rights of purchasing that are the yardstick for making purchase decisions. (5 Marks)
- Explain five barriers to effective procurement negotiation. (5 Marks)
- Illustrate why it is imperative for modern organizations to have a procurement function (5 Marks)

#### QUESTION TWO (20 MARKS)

- Examine the main drivers of supply chain and explain how they enhance responsiveness in supply chain management. (10 Marks)

- b) Logistics management has evolved over time leading to emergence of virtual logistics systems and seamless integration of supply chain components. Describe five types of logistics that have opened up global frontiers in cargo and information flow. (10 Marks)

**QUESTION THREE (20 MARKS)**

- a) Explain the following concepts as applied in special modes of transport by highlighting relevant examples. (12 Marks)
- i. Piggy back (3 Marks)
  - ii. Fishy Back (3 Marks)
  - iii. Train ship (2 Marks)
  - iv. Air Truck (2 Marks)
  - v. Containerization (2 Marks)
- b) Evaluate four key areas to consider while evaluating potential suppliers of goods and services (8 Marks)

**QUESTION FOUR (20 MARKS)**

"Omondi was recently appointed a distribution manager for Modern Coast Courier services section. His main responsibility is to ensure timely and cost effective delivery of consignment throughout East Africa region."

- a) Identify and explain the key factors he must consider before selecting the most appropriate channel of distributing consignments to various destinations across the region (12 Marks)
- b) In your own opinion, would you advise Omondi to adopt intermodal transport to deliver consignments to the various destinations across East Africa? Explain your answer (8 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Analyze five main functions of modern warehouse. (5 marks)
- b) Enumerate the role of supply chain in driving business strategy. (5 Marks)