

EXAMINATION AND EVALUATION DIVISION
DEPARTMENT OF POLYTECHNIC EDUCATION
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION
DECEMBER 2011 SESSION

PP303: FUNDAMENTALS OF SUPPLY CHAIN MANAGEMENT

DATE : 03 MAY 2012 (THURSDAY)
DURATION : 2 HOURS (11.15 AM – 1.15 PM)

This paper consists of **EIGHT (8)** pages including the front page.
Section A: Objective (25 questions – answer **ALL**)
Section B: Essay (3 questions – answer **ALL**)

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THE CHIEF INVIGILATOR

(CLO stated at the end of each question is referring to the learning outcome of the topic assessed. The CLO stated is only for lectures' references.)

SECTION A**OBJECTIVES (25 marks)****INSTRUCTION:**

This section consists of **TWENTY FIVE (25)** objective questions. Answer **ALL** questions.

1. “The design, operation and improvement of the systems that create and deliver the firms primary products and services”. This statement refers to [CLO 1]
 - A. Logistics Management
 - B. Inventory and Stocks Management
 - C. Supply Chain Management
 - D. Reverse Logistics Management.

2. Below are the processes of Supply Chain Management, **EXCEPT** [CLO 1]
 - A. Sourcing
 - B. Buying
 - C. Planning
 - D. Delivering

3. Which of the following is the reason why companies outsource their resources? [CLO 2]
 - A. To reduce cost of operations
 - B. To minimizing the defects of product
 - C. To provide good service from other logistics provider
 - D. To reduce the usage of man power

4. A few logistics providers should be considered before outsourcing, because [CLO 2]
 - A. to get the best logistics providers available to meet their needs
 - B. to get the lowest price of services
 - C. to protect their business legacy
 - D. to create a good relationship between the company and logistics providers

5. Which of the following is the reason that drives companies to outsource globally?
[CLO 2]
- A. Technology exchange driven
 - B. Cost of operations driven
 - C. Organizationally driven
 - D. Time consuming driven
6. Below are the challenges face by the companies that outsource globally, **EXCEPT**
[CLO 2]
- A. poor coordination
 - B. no-brainer logistics provider
 - C. overload non-core activities
 - D. cost reduction
7. “Development and management of global supplier relationships to acquire goods and services”. This refers to [CLO 2]
- A. strategic sourcing
 - B. domestic logistics provider sourcing
 - C. international business and supply chain
 - D. None of the above
8. Below are the sourcing strategies, **EXCEPT** [CLO 2]
- A. Randomly supplier selection
 - B. Spot purchase
 - C. Request for proposal
 - D. None of the above
9. Qualitative method in forecasting can be described as [CLO 2]
- A. a discussion using linear regression technique
 - B. a forecast range of assumptions
 - C. a subjective or judgmental and are based on estimates and opinions
 - D. a method based on ideas that data relating to past demand.

10. "Demand for a product or service caused by the demand for other products or services". This statement refers to [CLO 2]
- A. Independent Demand
 - B. Dependent Demand
 - C. Qualitative Demand
 - D. Quantitative Demand
11. Just in Time is being practice in many manufacturing company. Just in Time is a concept to ensure the production or operation of manufacturing or business run smoothly. It can be defined as [CLO 2]
- A. an inventory management philosophy aimed at reducing waste and redundant inventory by delivering products, components or materials when organizations need them
 - B. an inventory management process where all the components are available and sometimes exceed the storage in order to ensure there are enough supply in a factory
 - C. logistics strategies, in order to ensure the transportation and forwarding are competitive in the industry
 - D. inventory and storage management techniques where the storage exceeds the warehouse space, to create back-up stocks
12. Choose the element of Just in Time concept [CLO 2]
- A. Logistics
 - B. Carriers
 - C. Manufacturing
 - D. Purchasing
13. Performance features and reliability are the tools in one of the Supply Chain Management. This Supply Chain Management techniques refers to [CLO 2]
- A. Total Quality Management
 - B. Inventory Control
 - C. Warehouse Management Systems
 - D. All of the above

14. Below are the different modes in transportation, **EXCEPT** [CLO 2]
- A. Land transport
 - B. Sea transport
 - C. Air Transport
 - D. Freight Transport
15. Why companies hold inventory in warehouse? [CLO 2]
- A. To increase the transportation cost
 - B. To have surplus of stocks and inventory
 - C. To reduce labor cost
 - D. To support the firm's customer services policies
16. Determine the element of Total Quality Management (TQM). [CLO 2]
- A. Focus on the customer.
 - B. Workforce involvement.
 - C. Deming's Way
 - D. Kaizan practices
17. The following are tools used in Total Quality Management (TQM) are for the purpose of [CLO 2]
- A. generate the ideas.
 - B. organize the data.
 - C. identify problems.
 - D. calculate operation cost
18. The tools used in generating the ideas as follows, **EXCEPT** [CLO 2]
- A. Histograms
 - B. Check sheet.
 - C. Scatter diagram.
 - D. Cause-and-effect diagram.

19. Flow diagram can be explained as [CLO 2]
- A. a tool to present data in an organized fashion, indicating process problems from most to least severe.
 - B. annotated boxes representing process to show the flow of products or customers.
 - C. a tool to aid in brainstorming and isolating the causes of a problem.
 - D. a tool to determine frequencies for specific problems.
20. Transportation service companies are classified legally as [CLO 2]
- A. common carriers.
 - B. contract carriers.
 - C. exempt carriers.
 - D. All of the above.
21. Pipelines are able to deliver only limited amount of products because [CLO2]
- A. the flow of products within the pipeline are monitored and controlled by computer.
 - B. losses and damages due to pipelines leaks or breaks are extremely rare.
 - C. climatic conditions have minimal effects on products moving in pipelines.
 - D. All of the above.
22. Intermodal movements are combination of two or more modes in single product movements. Which of the following is **NOT** a Intermodal Transportation? [CLO 2]
- A. Stern.
 - B. Piggy Back.
 - C. Road Railer.
 - D. Train.
23. “This warehouse is used to store of personal stock rather than merchandise. The property is typically stored for an extended period as temporary layover option”. This statement refers to [CLO 3]
- A. Special Commodity Warehouse
 - B. Household Good Warehouse
 - C. Public Warehouse
 - D. General Merchandise Warehouse

24. Factors that might influence channel structure in Supply Chain Management includes [CLO 1]
- A. technological, cultural, physical, social and political factors.
 - B. cost and time factors
 - C. labor, technological and transportation factors
 - D. All of the above
25. Below are the advantages of Public Warehouse, **EXCEPT** [CLO 2]
- A. conservation of capital
 - B. the ability to increase warehouse space to cover peak requirements
 - C. degree of control
 - D. reduced risk

SECTION B**ESSAY (75 marks)****INSTRUCTION:**

This section consists of **THREE (3)** essay questions. Answer **ALL** questions.

QUESTION 1

- a) Explain what is outsourcing. [CLO 2] (10 marks)
- b) Discuss **FIVE (5)** reasons why companies outsource resources to logistics provider. [CLO 2] (15 marks)

QUESTION 2

- a) Describe Countertrade. [CLO 2] (10 marks)
- b) Discuss Capacity Planning. [CLO 2] (15 marks)

QUESTION 3

Transportation is a vital activity in transporting both freight and passengers around the world.

- a) Discuss the modes of transportation. [CLO 2] (10marks)
- b) Identify the differences between Private Warehouse and Public Warehouse. [CLO 2] (5marks)
- c) Explains **FIVE (5)** roles of a warehouses? [CLO 2] (10 marks)