

**POLITEKNIK**  
Jabatan Pengajian Politeknik

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

COMMERCE DEPARTMENT

FINAL EXAMINATION

JUNE 2012 SESSION

**PP303: FUNDAMENTALS OF SUPPLY CHAIN MANAGEMENT**

**DATE : 18 NOVEMBER 2012 (SUNDAY)**  
**DURATION : 2 HOURS (11.15 AM – 1.15 PM)**

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This paper consists of **NINE (9)** pages including the front page.  
Section A: Objective (25 questions – answer all)  
Section B: Essay (3 questions – answer all)

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**BY THE CHIEF INVIGILATOR**

4. A few logistics providers should be considered before outsourcing, because  
[CLO 2]
- to get the best logistics providers available to meet their needs
  - to get the lowest price of services
  - to protect their business legacy
  - 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]
- Technology exchange driven
  - Cost of operations driven
  - Organizationally driven
  - Time consuming driven
6. Below are the challenges face by the companies that outsource globally, **EXCEPT**  
[CLO 2]
- poor coordination
  - no-brainer logistics provider
  - overload non-core activities
  - cost reduction
7. "Development and management of global supplier relationships to acquire goods and services". This refers to [CLO 2]
- strategic sourcing
  - domestic logistics provider sourcing
  - international business and supply chain
  - None of the above

## SECTION A

## OBJECTIVES (25 marks)

## INSTRUCTION:

This section consists of **TWENTY FIVE (25)** objective questions. Answer **ALL** questions in the answer booklet.

- "The design, operation and improvement of the systems that create and deliver the firms primary products and services". This statement refers to [CLO 1]
  - Logistics Management
  - Inventory and Stocks Management
  - Supply Chain Management
  - Reverse Logistics Management.
- Below are the processes of Supply Chain Management, **EXCEPT** [CLO 1]
  - Sourcing
  - Buying
  - Planning
  - Delivering
- Which of the following is the reason why companies outsource their resources?  
[CLO 2]
  - To reduce cost of operations
  - To minimizing the defects of product
  - To provide good service from other logistics provider
  - To reduce the usage of man power

12. Choose the element of Just in Time concept [CLO 2]
- Logistics
  - Carriers
  - Manufacturing
  - 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]
- Total Quality Management
  - Inventory Control
  - Warehouse Management Systems
  - All of the above
14. Below are the different modes in transportation, **EXCEPT** [CLO 2]
- Land transport
  - Sea transport
  - Air Transport
  - Freight Transport
15. Why companies hold inventory in warehouse? [CLO 2]
- To increase the transportation cost
  - To have surplus of stocks and inventory
  - To reduce labor cost
  - To support the firm's customer services policies
16. Determine the element of Total Quality Management (TQM). [CLO 2]
- Focus on the customer.
  - Workforce involvement.
  - Deming's Way
  - Kaizan practices

8. Below are the sourcing strategies, **EXCEPT** [CLO 2]
- Randomly supplier selection
  - Spot purchase
  - Request for proposal
  - None of the above
9. Qualitative method in forecasting can be described as [CLO 2]
- a discussion using linear regression technique
  - a forecast range of assumptions
  - a subjective or judgmental and are based on estimates and opinions
  - 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]
- Independent Demand
  - Dependant Demand
  - Qualitative Demand
  - 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]
- an inventory management philosophy aimed at reducing waste and redundant inventory by delivering products, components or materials when organizations need them
  - 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
  - logistics strategies, in order to ensure the transportation and forwarding are competitive in the industry
  - inventory and storage management techniques where the storage exceeds the warehouse space, to create back-up stocks

21. Pipelines are able to deliver only limited amount of products because [CLO2]
- the flow of products within the pipeline are monitored and controlled by computer.
  - losses and damages due to pipelines leaks or breaks are extremely rare.
  - climatic conditions have minimal effects on products moving in pipelines.
  - 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]
- Stern.
  - Piggy Back.
  - Road Railer.
  - 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]
- Special Commodity Warehouse
  - Household Good Warehouse
  - Public Warehouse
  - General Merchandise Warehouse
24. Factors that might influence channel structure in Supply Chain Management includes [CLO 1]
- technological, cultural, physical, social and political factors.
  - cost and time factors
  - labor, technological and transportation factors
  - All of the above

17. The following are tools used in Total Quality Management (TQM) are for the purpose of [CLO 2]
- generate the ideas.
  - organize the data.
  - identify problems.
  - calculate operation cost
18. The tools used in generating the ideas as follows, **EXCEPT** [CLO 2]
- Histograms
  - Check sheet.
  - Scatter diagram.
  - Cause-and-effect diagram.
19. Flow diagram can be explained as [CLO 2]
- a tool to present data in an organised fashion, indicating process problems from most to least severe.
  - annotated boxes representing process to show the flow of products or customers.
  - a tool to aid in brainstorming and isolating the causes of a problem.
  - a tool to determine frequencies for specific problems.
20. Transportation service companies are classified legally as [CLO 2]
- common carriers.
  - contract carriers.
  - exempt carriers.
  - All of the above.

## 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 warehouse? [CLO 2] (10 marks)

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