



**PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF MARKETING AND LOGISTICS**

QUALIFICATION: BACHELOR OF LOGISTICS & SUPPLY CHAIN MANAGEMENT	
QUALIFICATION CODE: 07BLSC	LEVEL: 7
COURSE CODE: SCM711S	COURSE NAME: SUPPLY CHAIN MANAGEMENT
SESSION: JUNE 2019	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS
1. Answer ALL the questions. 2. Write clearly and neatly. 3. Number the answers clearly.

THIS QUESTION PAPER CONSISTS OF 5 PAGES (Including this front page)

QUESTION 1
MULTIPLE CHOICE

(10 X2 Marks)

- 1. Supply chain management (SCM) is the management of a _____ of interconnected businesses involved in the ultimate provision of product and service packages required by end customers.**
 - (a) Technique
 - (b) Network
 - (c) Value
 - (d) System

- 2. Cycle stock is:**
 - (a) Inventory used as a buffer for unforeseen events
 - (b) Inventory held for reasons other than satisfying current
 - (c) Inventory used for replenishing what is sold or used in production
 - (d) Inventory that is on its way from one location to another

- 3. The following are inventory risk costs except for?**
 - (a) Obsolescence
 - (b) Taxes
 - (c) Damage
 - (d) Shrinkage

- 4. Volkswagen operates plants in the United States, Brazil, Mexico and Germany, all of which are important markets for Volkswagen products. Depending on macroeconomic conditions, certain plants may be more profitable at various times than others. What type of global risk strategy does Volkswagen use?**
 - (a) Speculative strategy
 - (b) Hedge strategy
 - (c) Production shifting strategy
 - (d) Flexible strategy

- 5. Inventory is held for different reasons, which of the following protects against future price increase, strikes, and delayed deliveries, varying interest rates or currency fluctuations in the market?**
 - (a) Safety stock
 - (b) Speculative stock
 - (c) Seasonal stock
 - (d) Buffer stock

6. ____ Inventory refer to stock that exceeds the reasonable requirements of an organization.
- (a) Waste
 - (b) Obsolete
 - (c) Scrap
 - (d) Excess
7. The importance of supply management in any specific firm is determined by the following factors:
- (a) Availability of materials and services
 - (b) Absolute dollar volume of purchases
 - (c) Percentage of product cost
 - (d) All of the above
8. Which statement is incorrect about distribution channels?
- (a) Set of independent organizations involved in the process of making a product or service available to the consumer or business user
 - (b) Used to move the customer towards the product or the product to the customer
 - (c) Correct mix of transportation systems for the supply and delivery of goods
 - (d) Inbound supply to manufacturer
9. Which statement is not true about why companies collaborate?
- (a) Accelerate entry into new markets
 - (b) Knowledge sharing
 - (c) Changes the relationship between cost/value/profit equation
 - (d) To reduce integration
10. Out of the following activities, which one is the most effective approach to reduce the bullwhip effect?
- (a) Use inventory replenishment policies with period reviews
 - (b) Take advantage of economies of scale
 - (c) Use an everyday low pricing strategy
 - (d) Reduce the number of strategic alliances

Sub-Total: 20 Marks

QUESTION 2

(5 X2 Marks)

Answer the following questions by indicating whether the below statements are TRUE or FALSE.

2.1 Sustainability is the continuous improvement of a product to make it better and cheaper.

2.2 Supply management plays a major role in improving the "bottom line" by driving sales up and costs down.

2.3 A small disturbance in the flow of orders generated by a customer does not produce larger disturbances at each upstream stage in the supply chain.

2.4 Supply chain partner firms share information and insights in order to form strategic alliances.

2.5 One of the key competencies of a supply chain management professional is leadership.

Sub-Total: 10 Marks

QUESTION 3

3.1 Classify and distinguish the different types of inventory based on its purpose for a company of your choice giving practical examples. **(10 Marks)**

3.2 The annual demand for items is 2400 units, the reorder cost is N\$ 10 per order and holding cost is N\$ 0.30 per units per year. If the suppliers guarantee delivery within 2 days, determine the economic order quantity (EOQ) and the reorder point using the data provided? **(10 Marks)**

3.3 Provide a comparative analysis of the difference between Supply Chain and Value Chain. Your answer should be in line with the information provided below. **(5 Marks)**

Supply Chain vs Value Chain		
Basis for comparison	Supply Chain	Value Chain
Meaning		
Origin		
Concept		
Sequence		
Objective		

3.4 Strategic decisions in Supply Chain Management may include the following: (i) plant location decisions (ii) production decisions (iii) transportation decisions (iv) inventory decisions (v) source decisions. Discuss the significance of these decisions and give practical illustration in the context of a Namibian firm of your choice. **(15 Marks)**

3.5 As supply chains become more complex as a result of global sourcing, supply chain risks increases. Discuss the different categories of risk based on Mason and Towill's original framework with practical examples. **(20 Marks)**

3.6 The total cost concept places costs into three main categories. Identify and explain the three categories. **(10 Marks)**

Sub-Total: 70 Marks

GRAND TOTAL: 100 Marks