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<b>QUALIFICATION : BACHELOR OF BUSINESS MANAGEMENT</b>	
<b>QUALIFICATION CODE: 07BBMA</b>	<b>LEVEL: 7</b>
<b>COURSE: BUSINESS LOGISTICS AND SUPPLY CHAIN MANAGEMENT</b>	<b>COURSE CODE: BLM322S</b>
<b>SESSION: JANUARY 2020</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

**2<sup>nd</sup> OPPORTUNITY EXAMINATION QUESTION PAPER– JANUARY 2020**

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**THIS QUESTION PAPER CONSISTS OF 6 PAGES  
(INCLUDING THIS FRONT PAGE)**

**INSTRUCTIONS**

1. Answer **all questions**.
2. Read all the questions carefully before answering.
3. Marks are indicated at the end of each question/section.
4. Please ensure that your writing is legible, neat and presentable.

## SECTION A

[40 MARKS]

### QUESTION 1: MULTIPLE CHOICE QUESTIONS [2 x 20 = 40]

**1. Supply chain management includes the integration of:**

- a) Suppliers
- b) Manufacturers
- c) Customers
- d) Both a) and c)
- e) All of a), b) and c)

**2. Which of the following is NOT a transformed resource?**

- a) Raw materials
- b) Information
- c) Customers
- d) Capital
- e) All of the above are included

**3. Supply chain management includes all logistics management activities as well as ...**

- a) Manufacturing operations and sales (applied marketing).
- b) Materials management and physical distribution.
- c) Procurement and sales.
- d) Procurement and manufacturing operations.
- e) Manufacturing operations and sales.

**4. The aspects of logistics management that relate to organisation and implementation include...**

- a) The selection of facility sites.
- b) The selection of durable equipment.
- c) The selection of distribution parties.
- d) The allocation and positioning of resources.
- e) The selection of carriers.

**5. Strategic decisions are generally based on ...**

- a) Disaggregated data.
- b) Aggregated data.
- c) No data at all.
- d) Raw data.
- e) Very detailed data.

- 6. Which of the following is NOT a transforming resource?**
- a) Labour
  - b) Facilities
  - c) Consumables
  - d) Capital
  - e) All of the above are included
- 7. Which of the following is NOT a type of process?**
- a) Job shop
  - b) Batch
  - c) Project
  - d) Continuous flow
  - e) Repetitive process
- 8. Which are the four main areas to be considered in designing a value-adding system?**
- a) Technology, capacity, supply chain configuration, cost
  - b) Technology, customer involvement, supply chain configuration, flexibility
  - c) Quality, technology, customer involvement, supply chain configuration
  - d) Quality, technology, customer involvement, flexibility
  - e) Quality, customer involvement, supply chain configuration innovation
- 9. The position of inventory in the stages of operations can be classified as:**
- a) Raw materials
  - b) Finished goods
  - c) Work-in-process (WIP)
  - d) Both b) and c)
  - e) All of a), b) and c)
- 10. Capacity planning strategies are:**
- a) Lead strategy
  - b) Lag strategy
  - c) Match strategy
  - d) Both a) and b)
  - e) All of a), b) and c)
- 11. The four categories of quality costs include all the following EXCEPT:**
- a) Internal failure costs
  - b) Appraisal costs
  - c) Supplier costs
  - d) Prevention costs
  - e) External failure costs

**12. Costs of measuring, testing and analysing materials, parts, products and the productive process is referred to as:**

- a) Prevention costs
- b) Appraisal costs
- c) Internal failure costs
- d) External failure costs
- e) Improvement costs

**13. Which of the following is incorrect about the cost of quality?**

- a) Cost of quality is actually the cost of poor quality.
- b) Increasing prevention cost increases appraisal, internal and external failure costs.
- c) Training cost is an example of a prevention cost.
- d) Warranty is an example of an external failure cost.
- e) Both b) and d)

**14. Internal failure costs include all of the following EXCEPT:**

- a) Scrap costs
- b) Rework costs
- c) Architect costs
- d) Avoidable process losses
- e) None of the above

**15. According to Goldratt:**

- a) An hour lost at the bottleneck is an hour lost in the entire system.
- b) A product coming out of a non-bottleneck is precious and should not be wasted.
- c) Maximising the efficiency of all resources would generate money for the company.
- d) Utilization, productivity and operating expenses are the three vital metrics of a process.
- e) None of the above

**16. A bottleneck is defined as:**

- a) The transformation of WIP into finished goods
- b) The convergence of several separate stages in a process
- c) The end of an assembly line
- d) Any system resource that has insufficient capacity to satisfy the system requirements
- e) None of the above

**17. JIT systems rely on**

- a) Excess capacity
- b) A level master schedule
- c) Working with customers and suppliers to reduce uncertainty and complexity
- d) Both b) and c)
- e) All of the above

**18. What are the two primary requirements for the design of the facility?**

- a) Consumer needs and location
- b) Consumer needs and growth forecast
- c) Growth and forecasting
- d) Location and forecast growth
- e) Location and cost

**19. Which is the more cost-effective way of increasing the storage in a facility?**

- a) Expanding the floor area of the facility
- b) Having no demarcations in the facility
- c) Using the vertical height
- d) Purchasing additional storage from another specialised facility
- e) Removing some of the loading doors

**20. Should the temperature-controlled area determine the layout of the facility in all cases?**

- a) Yes, as the cheapest method of creating a temperature-controlled area is to use the external walls.
- b) Only when the temperature-controlled area is located within the building.
- c) No, the flows and layout within the facility should determine the most effective layout.
- d) (a) and (b)
- e) None of the above

**QUESTION 2– ESSAY STRUCTURED QUESTIONS**

- 2.1 The way in which a company deploys its operational resources determines how successful the strategy will be to achieve its performance objectives. Discuss the five key operations performance objectives? [10]**
- 2.2 Describe the concept of operations management and the decision-making activity in operations as consisting of the framework with responsibility areas? [20]**
- 2.3 Most modern businesses rely on comprehensive packaging systems to deliver their products and manufactured items to consumers in a timely manner. What are the benefits offered to manufacturers and consumers through the role of packaging in logistics? [10]**
- 2.4 Effectiveness and success in the provision of customer service require continuous monitoring. In this respect, discuss the time components of customer service that suppliers and logistics service provider should continually test, which are critical to customer satisfaction? [20]**
- Pre-transaction elements**

**END OF EXAM**