



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCES, AND EDUCATION**

**DEPARTMENT OF MARKETING, LOGISTICS AND SPORT MANAGEMENT**

<b>QUALIFICATION: BACHELOR OF PROCUREMENT &amp; SUPPLY CHAIN MANAGEMENT</b>	
<b>QUALIFICATION CODE: 07BPSM</b>	<b>LEVEL: 5</b>
<b>COURSE CODE: IPS511S</b>	<b>COURSE NAME: INTRODUCTION TO PROCUREMENT AND SUPPLY CHAIN MANAGEMENT</b>
<b>SESSION: JUNE 2024</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>
<b>FIRST OPPORTUNITY QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	Ms. Selma Kambonde (FM/DI) Ms. Rachel Amundaba-Ngeno (PM) MR. Pius Shifeta (EF) Ms. Ester Jesaya (FM)
<b>MODERATOR:</b>	Ms. Hilma Nuuyandja
<b>INSTRUCTIONS</b>	
<ol style="list-style-type: none"><li>1. Answer ALL the questions.</li><li>2. Write clearly and neatly.</li><li>3. Number your answers.</li></ol>	

**THIS QUESTION CONSISTS OF 6 PAGES (Including this front page)**

**SECTION A**

**QUESTION 1: MULTIPLE CHOICE**

**(40 MARKS)**

**There are 20 Multiple-choice questions with several possible choices each. Choose the best possible answer, for example, 1A. Each question is equivalent to 2 marks.**

1. Makers of final products: (2 marks)
  - a) Distributors
  - b) Logistics Service Providers
  - c) Suppliers
  - d) Manufacturers
  
2. In the 1980s the evolution of supply chain management focused on\_\_\_\_\_ (2 marks)
  - a) Consolidation
  - b) Integration
  - c) Value capture
  - d) Automation
  
3. The essential component of the supply operations is the correct goods delivered to the customer from the supplier is called\_\_\_\_\_. (2 marks)
  - a) Right location
  - b) Right product
  - c) Right condition
  - d) Right quantity
  
4. \_\_\_\_\_ is a process in which a company adds value to its raw materials to produce products eventually sold to consumers. (2 marks)
  - a) Value Chain
  - b) Supply Chain
  - c) Supply chain management
  - d) Logistics management
  
5. \_\_\_\_\_ means sharing information and coordinating resources to jointly manage a process or process. (2 marks)
  - a) Supply chain
  - b) Logistics management
  - c) Process integration
  - d) Procurement management
  
6. Source documents which govern Namibia Public Procurement are as follows: (2 marks)
  - a) Public Procurement Act, No 15 of 2015
  - b) Public Procurement Regulations: Public Procurement Act, No. 15 of 2015
  - c) Directives issued by the Minister of Finance
  - d) All of the above

7. Open National Bidding is under which section of the Public Procurement Act No. 15 of 2015? (2 marks)
- a) Section 29
  - b) Section 30
  - c) Section 37
  - d) Section 36
8. \_\_\_\_\_ refers to the use of Internet-based (integrated) information and communication technologies (ICTs) to carry out individual or all stages of the procurement process, including search, sourcing, negotiation, ordering, receipt, and post-purchase review. (2 marks)
- a) Supply chain management
  - b) Information Communication Technology (ICT)
  - c) Purchasing management
  - d) E-procurement
9. \_\_\_\_\_ is the act of adopting social, economic and environmental factors alongside the typical price and quality considerations in the organisation's handling of procurement processes and procedures. (2marks)
- a) Logistics Management
  - b) Material Management
  - c) Economic development
  - d) Sustainable procurement
10. \_\_\_\_\_ is the world's first International Standard for sustainable procurement. (2 marks)
- a) ISO 20400:2017
  - b) ISO 204000:2017
  - c) Public Procurement Act No. 15 of 2015
  - d) Public Procurement Act No. 51 of 2015
11. \_\_\_\_\_ Which one of the following is NOT the function of inventory management? (2 marks)
- a) Tracing inventory
  - b) When to order
  - c) Promotes duplication of orders
  - d) How much to order
12. Damages incurred in the warehouse while inventory is stored are example of \_\_\_\_\_. (2 marks)
- a) Obsolescence
  - b) Shrinkage
  - c) All of the above
  - d) None of the above

13. The amount of stock produced in an average production run is called \_\_\_\_\_ (2 marks)
- a) Safety stock
  - b) Dead stock
  - c) Cycle inventories
  - d) Speculative stock
14. Based on ABC Analysis, inventory that falls under B categories are \_\_\_\_\_ (2 marks)
- a) Less tightly controlled and good records
  - b) Very tight control and accurate records
  - c) Simplest control possible and minimum records
  - d) All of the above
15. \_\_\_\_\_ means using the oldest inventory first, to avoid having inventory go bad or become obsolete. (2 marks)
- a) Just-In-Time Inventory (JIT)
  - b) First-In, First-Out (FIFO) Inventory
  - c) Economic Order Quantity (EOQ)
  - d) ABC Analysis
16. Which one of the followings is NOT a function of a warehouse? (2 marks)
- a) Receiving goods
  - b) Sporting goods
  - c) Dispatching goods
  - d) All the above answers are correct
17. \_\_\_\_\_ is a particular type of facility in the supply chain where goods are received from suppliers, sorted without storage of the goods, and then efficiently moved on to downstream customers. (2 marks)
- a) Cross-dock operations
  - b) Transloading Operations
  - c) Consolidation Operations
  - d) Put Away Operations
18. Under which principles of efficiency in the warehouse operations do the goods at rest within the boundaries of a facility outside a designated storage area reflect an inefficient operation? (2 marks)
- a) Efficiency principle 3
  - b) Efficiency principle 2
  - c) Efficiency principle 1
  - d) All of the above



19. \_\_\_\_\_ is defined as the process whereby the supplier labels the individual items and delivers them to the cross-dock, where the individual items are then sorted to build a load. (2 marks)

- a) Cross-dock-managed load (CML)
- b) Joint-managed load (JML)
- c) Supplier-managed load (SML)
- d) None of the above

20. Radio Frequency Identification (RFID) can be applied in the following operations. (2 marks)

- a) Supply chain management
- b) Asset management
- c) Logistics operations
- d) All of the above

**QUESTION 2: TRUE AND FALSE**

**(10 MARKS)**

**State whether the following statements are true or false.**

1. Procurement planning is a critical process for any organisation that involves identifying, selecting, and acquiring the goods and services required to achieve its goals.
2. Supply chain management is only relevant for large multinational corporations.
3. Economic order quantity (EOQ) is a formula used in inventory management that calculates the optimal order quantity that minimises transportation costs.
4. Supply chain management is focused solely on the customer and does not consider the needs of other stakeholders.
5. ABC analysis categorises inventory items based on their importance to the organisation.
6. Lead time is the time it takes to receive a product after placing an order.
7. A procurement plan outlines the steps to store goods and services from suppliers.
8. Safety stock is a level of inventory maintained to reduce the risk of stockouts and is also known as dead stock.
9. A supply chain strategy should focus solely on reducing costs.
10. The bullwhip effect refers to inventory fluctuations becoming more pronounced as they move up the supply chain.

**SECTION A: 50 TOTAL MARKS**

**SECTION B: STRUCTURED QUESTIONS****(50 MARKS)****QUESTION 1****(10 Marks)**

The Namibia University of Science and Technology (NUST) has identified the need to enhance transportation services for its students at the Satellite campus in Eenhana. As part of this initiative, NUST aims to procure two Iveco buses to facilitate safe and efficient commuting for the student body.

Briefly discuss the key steps that NUST needs to follow to acquire the Iveco buses and how the university ensures transparency and compliance throughout the procurement process.

**QUESTION 2****(20 MARKS)**

Northland Building Construction CC has been struggling to achieve a profit margin. The company's operation processes are inefficient, thus leading to an increased expense. Analyse how Northland Building Construction CC can utilise Michael Porter's generic Value Chain Analysis to improve operational efficiency.

**QUESTION 3****(20 MARKS)**

Volcano Control Corporation is trying to decide between two alternate Order Plans for its inventory of a particular item. Irrespective of the plan to be followed, demand for the item is expected to be 1,000 units annually. Under Plan 1, they will use a teletype for ordering; order costs would be N\$40 per order. Inventory holding costs (carrying cost) would be N\$100 per unit per annum. Under Plan 2, order costs would be N\$30 per order. Holding costs would be 20%, and the unit Cost is N\$ 480.

- a) Find the EOQ of both plans? **(9 marks)**
- b) Find the Total Inventory Cost of inventory (TC) for each plan? **(8 marks)**
- c) Justify your answers and advise which Plan would result in the lowest total inventory cost? **(3 marks)**

**SECTION B: 50 TOTAL MARKS****TOTAL: 100 MARKS****THE END**