



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCES, AND EDUCATION
DEPARTMENT OF MARKETING, LOGISTICS AND SPORT MANAGEMENT**

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

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

SECTION A

QUESTION 1: Multiple Choice (30 MARKS)

There are 25 Multiple-choice questions with several possible choices each. Choose the best possible answer, for example, 1A. Each question is equivalent to 2 marks.

1. Out of the following, which is NOT a common expense of holding inventory? (2 marks)
 - a) Ordering cost
 - b) Transportation cost
 - c) Storage cost
 - d) Obsolescence cost
 - e) All the above
2. What is a bullwhip effect in supply chain management? (2 marks)
 - a) Increased efficiency due to better communication between supply chain partners.
 - b) Gradual decline in supplier chain performance over time.
 - c) Fluctuation of demand amplifying as they move up the supply chain
 - d) Rapid changes in consumer demand leading to excess inventory.
 - e) None of the above
3. The goal of Just-in-time (JIT) inventory control are: (2 marks)
 - a) Minimise the lead time for procurement
 - b) Reduced inventory levels and eliminates waste lead time for procurement.
 - c) Maximise inventory level to ensure availability
 - d) Keep large stocks to buffer against uncertainties.
4. What are procurement's main objectives? (2 marks)
 - a) Maximise suppliers' profits
 - b) Ensure timely availability of goods and services.
 - c) Minimise inventory cost
 - d) Reduce supply chain complexity
 - e) None of the above
5. Which of the following external factors can affect procurement processes in Namibia? (2 marks)
 - a) Economical growth
 - b) Political stability
 - c) Technological advancement
 - d) All of the above
6. Which of the following is NOT a key principle outlined in the Procurement Act of 2015? (2 marks)
 - a) Preferential treatment for certain suppliers
 - b) Transparency
 - c) Accountability
 - d) Efficiency

7. What are the primary objectives of the procurement Act of 2015 in Namibia? (2 marks)
- To increase government spending on procurement contracts
 - To give local supplier precedence over foreigners
 - To streamline government procurement processes
 - To promote fair competitions among suppliers
8. What are the effects of the Procurement Act of 2015 on Namibia 's procurement practises? (2marks)
- It hinders collaboration in international trade.
 - It gives government employees unrestricted power to make procurement-related choices.
 - It Promotes Transparency and belligerent bidding procedures.
 - It limits the kind of products and services that are available for purchase.
9. _____is the process of making purchasing decisions that meet an organisation's needs in a manner that benefits both the organisation and society while minimising the impact on the environment. (2 marks)
- Green Procurement
 - Environmental procurement
 - Sustainable Procurement
 - Procurement management
10. What is the primary purpose of stocktaking in inventory management? (2 marks)
- To verify the accuracy of the inventory record
 - To calculate reorder points for inventory replenishment
 - To identify obsolete inventory for disposal
 - To determine the value of inventory for financial reporting.
11. What will happen to the Total inventory cost when the order quantity is larger than the Economic Order Quantity (EOQ)? (2 Marks)
- Total inventory cost increase
 - Total inventory cost decreases
 - Total inventory remains the same
 - Total inventory cost becomes unpredictable
12. The EOQ model, which cost is minimising to determine the optimal order quantity? (2 marks)
- Holding costs
 - Ordering costs
 - Transport costs
 - Shortage costs
13. What is the main goal of using the Economic Order Quantity (EOQ) Model? (2marks)

- a) To reduce Lead times
 - b) To minimise inventory holding cost
 - c) To increase safety stock levels
 - d) To maximise order frequency
14. What is the primary purpose of ABC analysis in inventory management? (2 marks)
- a) To calculate the Economic Order Quantity for each item
 - b) To Identify the most critical inventory items for effective management
 - c) To determine the total inventory holding cost for the organisations
 - d) To classify inventory items based on their alphabetical names
15. Which of the following is NOT a key component of reverse logistics? (2 marks)
- a) Forward logistics operations
 - b) Product returns and exchange
 - c) Repair and refurbishment of waste materials.
 - d) Recycling and disposal of waste materials
16. What are the main objectives of value chain analysis? (2 marks)
- a) To Identify opportunities for value creation and competitive advantage
 - b) To Minimize production costs by outsourcing non-core-activities
 - c) To increase the profit margins by reducing product prices
 - d) To maximize inventory level to meet fluctuating demand
17. Which of the following technologies is frequently employed to track cargo in transit in real-time? (2 marks)
- a) Augmented reality (AR)
 - b) Blockchain
 - c) Virtual Reality (VR)
 - d) Radio Frequency Identification (RFID)
18. How does the use of predictive analytics benefit supply chain management? (2 marks)
- a) By automating order processing tasks
 - b) By providing real-time visibility of inventory level
 - c) By reducing transport cost
 - d) By forecasting demand and identifying potential disruptions
19. _____ Inventory owned by the supplier but managed by the customers. (2 Marks)
- a) High value inventory (HVI)
 - b) Cycle inventory (CI)
 - c) Work in progress (WIP)
 - d) Vendor-managed inventory (VMI)
20. What are firms that provide advanced and integrated supply chain solutions?

(2 Marks)

- a) Fourth-party logistics Providers
- b) Transportation carriers
- c) Third-party logistics providers
- d) Integrated logistics providers

Sub-total: 40 marks

QUESTION 2: True and False

(10*2=10 MARKS)

State whether the following statements are true or false.

1. The warehouse is only used for storing goods.
2. Supply chain management encompasses all activities, from sourcing materials to delivering the final products to customers.
3. Procurement is only concerned with purchasing goods and services.
4. The Lean Manufacturing principle can be applied to streamline warehouse operations and eliminate waste.
5. Inventory turnover ratio indicates the efficiency of inventory management in converting inventory into sales.
6. Just-in-time inventory management aims to minimise inventory holding costs.
7. Warehouse is not necessary for a just-in-time (JIT) inventory system.
8. Reverse logistics involves handling returns and managing goods from customers to the manufacturer.
9. Electronic Data Interchange (EDI) is a technology used in supply chain management to exchange business documents electronically.
10. In procurement management, forecasting is essential utilising market trends, historical data, and other pertinent information, it entails forecasting future demand for products and services.

Sub-total: 10 marks

SECTION A: 50 TOTAL MARKS

SECTION B (50 MARKS)

QUESTION 2

(20 MARKS)

In recent years, the procurement function within many companies has undergone notable changes in its internal dynamics and external relationships. This evolution has led to the transformation of the procurement function from a single 'procurement department' into multiple organisational units structured differently to meet diverse internal demands.

2.1 What is the role of planning in procurement?

2.2 Briefly discuss the relationship of procurement management concerning other functions within an organisation?

QUESTION 3

(10 MARKS)

Assess the economic benefits of warehouses.

QUESTION 4

(20 MARKS)

Evaluate the consequences of global supply chain risks.

SECTION B: 50 TOTAL MARKS

TOTAL: 100 MARKS

THE END