



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF MARKETING, LOGISTICS AND SPORTS MANAGEMENT

QUALIFICATION: POSTGRADUATE DIPLOMA: PROCUREMENT MANAGEMENT	
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COURSE CODE: GSD801S	COURSE NAME: GLOBAL SUPPLY CHAIN DILIGENCE
SESSION: JUNE 2024	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100
FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
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MODERATOR:	Mr. Tangeni Mwashekele
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 7 PAGES (Including this front page)

SECTION A: MULTIPLE CHOICE QUESTIONS

(50 MARKS)

QUESTION 1

Answer the following questions. Only write down the correct answer, for example, 1.1 A.

1.1 Which factor contributes to the supply chain bullwhip effect in a global context? (2 marks)

- a) Consistent demand patterns
- b) Efficient inventory management
- c) Information delays and inaccuracies
- d) Collaboration among supply chain partners

1.2 What is the role of procurement in managing risks in the supply chain, and which of the following strategies is most effective in this regard? (2 marks)

- a) Procurement is responsible for identifying and mitigating risks related to suppliers and supply chain disruptions, and the most effective strategy is to maintain a diverse supplier base.
- b) Procurement is responsible for managing the risks associated with inventory levels, and the most effective strategy is to implement just-in-time inventory management practices.
- c) Procurement is responsible for managing the risks associated with transportation and delivery, and the most effective strategy is to use multiple carriers to distribute products.
- d) Procurement is responsible for managing the risks associated with customer demand fluctuations, and the most effective strategy is to maintain high levels of safety stock inventory.

1.3 How can e-procurement be used to optimize procurement processes in supply chain management, and which of the following is NOT a benefit of this technology? (2 marks)

- a) E-procurement involves electronic platforms to streamline procurement processes, including supplier selection and evaluation, order processing, and payment management.
- b) E-procurement can improve transparency and efficiency in procurement processes, allowing for more effective monitoring and control of procurement spend.
- c) E-procurement can enhance collaboration between buyers and suppliers, leading to more effective communication and better decision-making.
- d) E-procurement eliminates the need for supplier evaluation and selection, enabling procurement to focus on other strategic objectives.

1.4 Excluding cost, which of the following criteria describes the primary drivers for transportation mode selection? (2 marks)

- a) Accessibility, capacity, transit time, reliability, and safety
- b) Capacity, transit time, safety, supply chain security participation, and availability
- c) Accessibility, capacity, transit time, reliability, and financial stability
- d) Capacity, transit time, reliability, safety, and supply chain security participation

1.5 When considering sustainability in the supply chain, which of the following factors is NOT typically assessed during a life cycle analysis? (2 marks)

- a) Total cost of ownership

- b) Carbon footprint of products
- c) Social impact on local communities
- d) Financial stability of suppliers

1.6 Volkswagen runs manufacturing facilities in key markets such as the United States, Brazil, Mexico, and Germany. These markets hold significant importance for Volkswagen's product distribution. Depending on prevailing macroeconomic circumstances, the profitability of these plants may fluctuate. What kind of global risk strategy is Volkswagen employing? (2 marks)

- a) Speculative strategy
- b) Hedge strategy
- c) Production shifting strategy
- d) Flexible strategy

1.7 The model integrates business process re-engineering, benchmarking, and process measurements into a cross-functional framework. (2 marks)

- a) Porter's five force
- b) EOQ
- c) SCOR
- d) JIT

1.8 Which strategy is commonly employed to mitigate the challenges posed by global supply chain complexity? (2 marks)

- a) Increasing the number of intermediaries in the supply chain
- b) Adopting a rigid supply chain structure
- c) Limiting the number of suppliers
- d) Implementing lean manufacturing principles

1.9 The idea of identifying waste along the whole supply chain, especially in the form of unnecessary inventory, is the basis of what concept? (2 marks)

- a) Focuses supply chain
- b) Lean supply chain
- c) Agile supply chain
- d) Effective supply chain

1.10 An organization's ability to respond to changes in demand concerning volume and variety refers to? (2 marks)

- a) Responsiveness
- b) Differentiation
- c) Agility
- d) Relevancy

1.11 A retail chain operates in a highly competitive market with rapid changes in consumer preferences and market trends. The company must analyse vast amounts of data from various

sources to make informed judgments about inventory levels, pricing strategies, and marketing campaigns. What type of complexity is evident in this scenario? (2 marks)

- a) Information Complexity
- b) Decision-making Complexity
- c) Structural Complexity
- d) Operational Complexity

1.12 Which of the following does not describe the characteristics of a supply chain in terms of its physical situations such as the number of supply chain members and the links between them? (2 marks)

- a) Supplier Complexity
- b) Organisational Complexity
- c) Network Complexity
- d) Range Complexity

1.13 A company relies heavily on a single overseas supplier for a critical component. Due to geopolitical tensions, there is a sudden embargo on imports from that region, causing a halt in production. This situation exemplifies: (2 marks)

- a) Supply chain risk
- b) Supply chain disturbance
- c) Supply chain disruption
- d) Supply chain uncertainty

1.14 How could supply chain disruptions from the Russia-Ukraine conflict impact African economies? (2 marks)

- a) Accelerating economic growth through increased local production.
- b) Slowing down infrastructure development projects.
- c) Boosting employment opportunities in the manufacturing sector.
- d) Leading to inflationary pressures and higher consumer prices.

1.15 What lessons did supply chain managers learn from the Suez Canal blockage regarding risk mitigation strategies? (2 marks)

- a) Importance of centralized supply chain operations.
- b) Need for robust contingency plans and alternative routes.
- c) Decreased emphasis on supply chain resilience.
- d) Reliance on a single mode of transportation for cost savings.

1.16 How did the America-China trade war affect the sourcing strategies of multinational corporations? (2 marks)

- a) Increased reliance on Chinese suppliers for cost savings.
- b) Shifted focus towards nearshoring and regional suppliers.
- c) Expanded investments in American manufacturing.
- d) No significant change in sourcing strategies.

1.17 Which risk mitigation strategy involves diversifying suppliers and sourcing regions?

(2 marks)

- a) Risk acceptance
- b) Risk avoidance
- c) Risk transfer
- d) Risk reduction

1.18 How does supply chain resiliency differ from risk mitigation in SCRM? (2 marks)

- a) Resiliency focuses on adapting to disruptions, while risk mitigation aims to prevent them.
- b) Resiliency eliminates all risks, while risk mitigation minimizes their impact.
- c) Resiliency involves accepting all risks, while risk mitigation avoids them.
- d) Resiliency and risk mitigation are interchangeable terms in SCRM.

1.19 Which risk management approach focuses on building adaptive capacity to respond to unknown risks? (2 marks)

- a) Resilience-based risk management
- b) Reactive risk management
- c) Predictive risk management
- d) Proactive risk management

1.20 How do JIT systems contribute to risk mitigation in inventory management? (2 marks)

- a) By maintaining high safety stock levels to buffer against disruptions.
- b) By optimizing inventory levels and reducing excess inventory costs.
- c) By increasing lead times to account for supply chain uncertainties.
- d) By prioritizing batch production to minimize production downtime.

1.21 In the context of supply chain due diligence, what are the key components of a comprehensive risk assessment? (2 marks)

- a) Financial stability, ethical practices, and market dominance
- b) Regulatory compliance, environmental impact, and supplier reliability
- c) Product quality, customer satisfaction, and delivery timelines
- d) Industry awards, social media presence, and brand recognition

1.22 How does the concept of value chain differ from supply chain management, particularly in terms of strategic focus? (2 marks)

- a) Value chain focuses on cost reduction, while supply chain management emphasizes revenue generation.
- b) Value chain emphasizes internal activities that add value, while supply chain management focuses on external relationships.
- c) Value chain is concerned with operational efficiency, while supply chain management prioritizes innovation.
- d) Value chain encompasses marketing strategies, while supply chain management deals with production processes

1.23 In the context of the 5 flows in supply chain management, what challenges might a company face in managing the reverse flow effectively? (2 marks)

- a) Limited visibility into product returns and warranty claims
- b) Complexity in coordinating inbound logistics from multiple suppliers.
- c) Difficulties in managing financial transactions across international borders.
- d) Challenges in synchronizing information flow with production schedules

1.24 In the context of global sourcing, how does geopolitical instability impact supply chain risk management, and what strategies can companies employ to mitigate these risks? (2 marks)

- a) Geopolitical instability increases transportation costs, requiring companies to diversify sourcing locations.
- b) Geopolitical tensions can lead to trade disruptions, necessitating the development of alternative supply routes.
- c) Geopolitical factors have minimal impact on supply chain risks, allowing companies to focus on cost reduction.
- d) Geopolitical considerations are irrelevant in global sourcing, as companies prioritize profit maximization.

1.25 What is one of the primary challenges that companies face due to the globalization of supply chains? (2 marks)

- a) Limited access to international markets
- b) Increased complexity in managing diverse suppliers and partners
- c) Reduced competition from global competitors
- d) Minimal impact of geopolitical factors on supply chain operations

SECTION A: 50 TOTAL MARKS

SECTION B: STRUCTURED QUESTIONS**(50 MARKS)****QUESTION 2 (35 Marks)**

The Ministry of Health and Social Services (MHSS) is responsible for ensuring the availability of medical supplies and equipment to healthcare facilities across the country. Recently, the ministry faced a significant challenge when one of its key suppliers, a global pharmaceutical company, encountered production disruptions due to a natural disaster in its manufacturing facility. As a result of this disruption, the supply of essential medicines and vaccines to Namibia's healthcare facilities was severely affected, leading to potential shortages and delays in patient care.

2.1 Briefly discuss how the MHSS could proactively address and mitigate supply chain risks to ensure uninterrupted access to critical medical supplies, considering external disruptions and the evolving healthcare landscape? **(20 Marks)**

2.2 Analyse how the MHSS can incorporate the sustainability principles into its procurement management strategies, while concurrently fostering long-term resilience to tackle potential disruptions in the supply of medical supplies? **(10 Marks)**

QUESTION 3 (25 Marks)

Dinapama Manufacturing and Supplies has established itself as a reputable custom garment manufacturer in Namibia since its inception in 2009. The company's target audience includes corporate companies, public service entities, NGOs, schools, and both local and international brands. Dinapama sources its fabrics from various countries such as South Africa, Korea, China, and Japan, ensuring a diverse and high-quality range of materials for its garment production. The company's commitment to using locally sourced talent and materials while catering to a global clientele sets it apart in the industry.

How can Dinapama strategically apply Value Chain Analysis to optimize its supply chain, enhance operational efficiency, strengthen customer relationships, drive innovation, and sustain its competitive advantage in the dynamic global garment manufacturing landscape, considering its unique attributes and market positioning? **(20 Marks)**

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