FACULTY OF COMMERCE; HUMAN SCIENCES AND EDUCATION

HAROLD PUPKEWITZ GRADUATE SCHOOL OF BUSINESS

QUALIFICATION: DIPLOMA IN BUSINESS PROCESS MANAGEMENT	
QUALIFICATION CODE: 06DBPM	LEVEL: 5
COURSE CODE: ISM511C	COURSE NAME: INTRODUCTION TO SUPPLY CHAIN MANAGEMENT
SESSION: JUNE 2024	PAPER: PAPER 1
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION – QUESTION PAPER	
EXAMINER(S)	Ms. Hilma Nuuyandja
MODERATOR:	Ms. Gloria Tshoopara

INSTRUCTIONS
1. Answer ALL the questions.
2. Write clearly and neatly.
3. Number the answers clearly.

PERMISSIBLE MATERIALS
1. Examination paper
2. Examination script

THIS QUESTION PAPER CONSISTS OF 4 PAGES (INCLUDING THIS FRONT PAGE)

QUESTION 1: MULTIPLE CHOICE QUESTIONS [2X15]

1.1 Which of the following best defines supply chain management?
    a) Managing the flow of products and services from raw materials to the end customer
    b) Managing the flow of money within a company
    c) Managing the supply of goods within a company
    d) Managing the marketing of products to customers

1.2 Activities which are undertaken before the final operation are termed _____ activities
    a) Upstream
    b) Primary
    c) Secondary
    d) Downstream

1.3 Which of the following is a method for eliminating the bullwhip or 'Forrester Effect'?
    a) Timely communication of sales figures throughout the supply chain
    b) The stabilisation of lead times throughout the supply chain
    c) Increased accuracy of stock levels throughout the supply chain
    d) Ensuring realistic Bills of Materials throughout the supply

1.4 Which statement regarding typical supply chain flows is best?
    a) The flow of goods and information goes both ways.
    b) The flow of goods is downstream and the flow of information is upstream.
    c) The flow of goods is upstream and the flow of information is downstream.
    d) The flow of goods is downstream but all companies hold information.

1.5 Which would we expect from a JIT plant as compared to a plant that does not use JIT?
    a) More inventory held at the plant.
    b) More assembly hours per unit.
    c) More deliveries of inventory.
    d) More defects per unit.

1.6 The following classes of costs are usually involved in inventory decisions, except
    a) Cost of ordering
    b) Carrying cost
    c) Cost of shortages
    d) Machining cost

1.7 The cost of insurance and Obsolescence are included in
    a) Cost of ordering
    b) Set up cost
    c) Inventory carrying cost
    d) Cost of shortages

1.8 Buffer stock' is the level of stock
   a) Half of the actual stock
   b) At which the ordering process should start
   c) Minimum stock level below which actual stock should not fall
   d) Maximum stock in inventory

1.9 What is the primary goal of supply chain management?
   a) Maximising profit
   b) Minimising costs
   c) Maximising customer value
   d) Maximising inventory levels

1.10 Buffer stock' is the level of stock
   a) Half of the actual stock
   b) At which the ordering process should start
   c) Minimum stock level below which actual stock should not fall
   d) Maximum stock in inventory

1.11 The time period between placing an order its receipt in stock is known as
   a) Lead time
   b) Carrying time
   c) Shortage time
   d) Over time

1.12 What is the purpose of demand forecasting in supply chain management?
   a) To estimate future demand for products or services
   b) To reduce customer demand
   c) To increase production costs
   d) To eliminate inventory

1.13 The inventory which is dependent on alternative modes of transportation is known as
   a) Safety inventory
   b) Decoupling inventory
   c) Cycle inventory
   d) Pipeline inventory

1.14 T Which of the following is NOT a stage in the supply chain?
   a) Procurement
   b) Manufacturing
   c) Distribution
   d) Sales

1.15 Which of the following is true for Inventory control?
   a) Economic order quantity has minimum total cost per order
   b) Inventory carrying costs increases with quantity per order

c) Ordering cost decreases with lot size

d) All of the above

Sub-total: 30 Marks

QUESTION 2: TRUE/FALSE QUESTIONS   [2x10]

2.1   Outsourcing gives companies room to focus on every aspect of their processes.

2.2   The supply chain is a network of manufacturers and service providers that work together to create products or services needed by end users.

2.3   In supply chain organisations, functions must operate independently of each other.

2.4   Supply chain resilience focuses solely on minimising costs and maximising efficiency.

2.5   Returned goods are part of reverse logistics.

2.6   ABC analysis categorises inventory items based on their value and importance, with "A" items representing the highest value and "C" items representing the lowest.

2.7   Supply chain risk management involves identifying potential disruptions and implementing strategies to mitigate their impact.

2.8   Economic order quantity (EOQ) remains constant regardless of changes in ordering or holding costs.

2.9   The bullwhip effect can be mitigated by maintaining higher levels of safety stock throughout the supply chain.

2.10   Strategic sourcing involves selecting suppliers based solely on price considerations.

Sub-total: 20 Marks

QUESTION 3

3.1   Describe the main components of a supply chain and explain how they interact.   (10 marks)

3.2   Discuss the concept of supply chain integration and its significance in enhancing supply chain performance. Additionally, identify and elaborate on the challenges faced in achieving supply chain integration.   (14 marks)

Discussions should align but not be limited to the following points:

3.3   Lists four (4) Classification of inventory based on its position in the supply chain and four (4) Classification of inventory based on its purpose.   (8 marks)

3.4   Compare and contrast the economic order quantity (EOQ) and just-in-time (JIT) inventory management approaches, highlighting their advantages and limitations.   (10 marks)

3.5   Discuss the differences between push and pull supply chain strategies and provide examples of industries where each strategy is commonly used.   (8 marks)

Sub-total: 50 Marks

Grand Total: 100 Marks