



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: JULY 2023	PAPER: PAPER 1
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION – QUESTION PAPER

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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 is not a key component of a supply chain?
- a) Transportation
 - b) Warehousing
 - c) Production
 - d) Advertising
- 1.2 What is the term for the additional inventory a company holds to protect against stockouts?
- a) Reorder point
 - b) Lead time
 - c) Safety stock
 - d) Stockout inventory
- 1.3 Which supply chain function is responsible for sourcing and purchasing goods and services?
- a) Production
 - b) Procurement
 - c) Transportation
 - d) Warehousing
- 1.4 What is the term for a supply chain strategy in which the supplier is responsible for managing the inventory levels for the buyer?
- a) Consignment inventory
 - b) Vendor-managed inventory (VMI)
 - c) Drop shipping
 - d) Stockless inventory
- 1.5 Which of the following is a benefit of effective supply chain management?
- a) Increased efficiency
 - b) Lower costs
 - c) Improved customer satisfaction
 - d) All of the above
- 1.6 Which of the following is a supply chain risk?
- a) Natural disasters
 - b) Supplier bankruptcy
 - c) Changes in regulations
 - d) All of the above
- 1.7 What is the purpose of supply chain management?
- a) It involves manufacturing and distributing products to customers.
 - b) It involves coordinating and integrating the activities of suppliers, manufacturers, distributors, and retailers to produce and deliver products to customers.
 - c) It involves marketing and selling products to customers.
 - d) It involves managing human resources within a company.

- 1.8 What is the term for the process of managing the return of goods from the end user back to the manufacturer?
- a) Forward logistics
 - b) Reverse logistics
 - c) Outbound logistics
 - d) Inbound logistics
- 1.9 What is the term for the optimal order quantity that minimizes total inventory costs?
- a) Economic order quantity (EOQ)
 - b) Safety stock
 - c) Reorder point
 - d) Minimum order quantity (MOQ)
- 1.10 What is the term for the phenomenon in which small changes in customer demand can lead to large variations in inventory levels along the supply chain?
- a) The bullwhip effect
 - b) The ripple effect
 - c) The domino effect
 - d) The butterfly effect
- 1.11 The purpose of supply chain management is
- a) Provide customer satisfaction
 - b) Improve quality of a product
 - c) Integrating supply and demand management
 - d) Increase production
- 1.12 Logistics is the part of a supply chain involved with the forward and reverse flow of
- a) goods
 - b) services
 - c) cash
 - d) all of the above
- 1.13 Moving goods from suppliers to the production unit is called as.....
- a) downstream
 - b) upstream
 - c) horizontal stream
 - d) none of these
- 1.14 can increase customer value to the product
- a) supply chain management
 - b) transportation
 - c) handling
 - d) processing
- 1.15 The three functions of warehousing operations are:
- a) Movement, consolidation and storage
 - b) Receive, Storage, and dispatch
 - c) Receiving, transfer and shipping

- d) Order picking, semi-permanent storage and information transfer

Sub-total: 30 marks

QUESTION 2

STATE WETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE

[2X10]

- 2.1 Supply chain management refers only to the management of goods and materials flowing from suppliers to manufacturers.
- 2.2 Effective supply chain management can improve a company's financial performance by reducing costs and increasing revenue.
- 2.3 Supply chain visibility refers to the ability to track products and materials as they move through the supply chain.
- 2.4 Supply chain risk management is focused solely on minimizing the impact of demand fluctuation.
- 2.5 The primary goal of supply chain management is to minimize costs at all costs.
- 2.6 Effective supply chain management requires collaboration and coordination among all stakeholders.
- 2.7 Lean supply chain management is focused on minimizing inventory levels to reduce waste.
- 2.8 Supply chain management is only concerned with the logistics of moving goods from one location to another.
- 2.9 The ABC analysis is a technique used to classify inventory items into different categories based on their suppliers relationship.
- 2.10 Inventory shrinkage refers to the loss of inventory due to theft, damage, or other causes.

Sub-total: 20 marks

QUESTION 3

- 3.1 Name and discuss any five (5) points why Supply Chain Management is important? Your discussion should be aided by examples. (20 marks)
- 3.2 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)
- 3.3 Discuss the four (4) categories of inventory carrying costs. (12 marks)
- 3.4 Distinguish between Push and Pull supply chain systems? (10 marks)

Sub-total: 50 Marks

Grand Total: 100 marks