



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY
FACULTY OF MANAGEMENT SCIENCES**

DEPARTMENT OF MARKETING, LOGISTICS, AND SPORTS MANAGEMENT

QUALIFICATION: BACHELOR OF PROCUREMENT & SUPPLY CHAIN MANAGEMENT	
QUALIFICATION CODE: 07BPSM	LEVEL: 5
COURSE CODE: IPS511S	COURSE NAME: INTRODUCTION TO PROCUREMENT AND SUPPLY CHAIN MANAGEMENT
SESSION: JUNE 2025	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100
FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS	
1. Answer all questions. 2. Write clearly and neatly. 3. Number the answers.	

THIS EXAMINATION QUESTION PAPER CONSISTS OF 7 PAGES (Including this front page)

SECTION A: MULTIPLE CHOICE AND TRUE OR FALSE

QUESTION 1: MULTIPLE CHOICE

(50 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.

1.1 A manufacturer in Windhoek transforms raw polyethene materials into plastic packaging products that are then sold to retail and wholesale clients. This transformation process is an example of: (2 marks)

- a) Supply Chain
- b) Supply chain management
- c) Logistics management
- d) Value Chain

1.2 A Namibian logistics company collaborates with its suppliers and customers by sharing real-time inventory data and coordinating delivery schedules. This practice is referred to as: (2 marks)

- a) Supply chain
- b) Logistics management
- c) Procurement management
- d) Process Integration

1.3 A procurement officer working at the Ministry of Health wants to ensure that a tender for medical equipment complies with national laws. Which of the following documents should they consult for guidance? (2 marks)

- a) Public Procurement Act, No. 15 of 2015
- b) Public Procurement Regulations: Public Procurement Act, No. 15 of 2015
- c) Public Procurement Amendment Act, 2022
- d) All the above

1.4 The Namibian Institute of Pathology is implementing sustainability measures in its purchasing policies. They choose to follow an international standard focused on sustainable procurement practices. Which standard are they likely using? (2 marks)

- a) ISO 24400
- b) ISO 90200
- c) ISO 91000
- d) ISO 20400

1.5 Namibian Breweries Limited (NBL), a beverage manufacturer, typically produces 10,000 units per production cycle to maintain consistent output levels. This regular production quantity is known as: (2 marks)

- a) Safety stock
- b) Deadstock
- c) Speculative stock

d) Cycle inventories

1.6 A grocery store manages its inventory to ensure older dairy products are sold before newer ones to avoid spoilage. This inventory method is referred to as: (2 marks)

- a) JIT
- b) FIFO
- c) EOQ
- d) ABC Analysis

1.7 A new warehouse employee is being trained on their functions. Which of the following would not typically be considered a warehouse function? (2 marks)

- a) Receiving goods
- b) Sporting goods
- c) Dispatching goods
- d) All the above answers are correct

1.8 A warehouse supervisor observes that multiple pallets are stored outside the designated racking area due to insufficient space. This is a violation of which principle of warehouse efficiency? (2 marks)

- a) Efficiency principle 3
- b) Efficiency principle 2
- c) Efficiency principle 1
- d) All the above

1.9 Which strategy would best improve supply chain visibility? (2 marks)

- a) Ordering in bulk to avoid shortages
- b) Hiring more warehouse staff
- c) Implementing a real-time inventory tracking system
- d) Reducing the number of suppliers

1.10 What is a key benefit of supply chain collaboration? (2 marks)

- a) Reduced bullwhip effect and improved demand forecasting
- b) Higher individual profit margins for suppliers
- c) Elimination of all transportation costs
- d) Complete elimination of inventory

1.11 How can a company improve supply chain resilience? (2 marks)

- a) Diversifying suppliers and transportation modes
- b) Relying on a single logistics provider
- c) Avoiding technology investments
- d) Keeping minimal safety stock

1.12 What does time reduction help achieve? (2 marks)

- a) Faster order fulfilment and lower stock levels
- b) Higher inventory carrying costs
- c) Increased supplier dependence
- d) More manual paperwork

1.13 How does consolidation shipping reduce costs? (2 marks)

- a) Combining smaller shipments into full truckloads
- b) Sending half-empty trucks
- c) Avoiding bulk orders
- d) Using only air freight

1.14 A supply chain analyst reviews company activities that contribute directly to creating customer value. (2 marks)

- a) Human resource management and procurement
- b) Inbound logistics and outbound logistics
- c) Technology development and infrastructure
- d) Firm infrastructure and marketing

1.15 An importer of machinery experiences delays due to rising tariffs and international tensions. What are the key components of a WMS? (2 marks)

- a) Basic storage racks and manual inventory logs
- b) Automated picking and packing of inventory
- c) Manual Storage and dispatching of goods
- d) Outbound Supply Chain

1.16 What does agility in supply chain management refer to? (2 marks)

- a) The ability to move goods quickly from one location to another
- b) The flexibility and responsiveness of supply chains to market changes and disruptions
- c) The use of advanced technology in supply chain operations
- d) The reduction of inventory levels to minimise storage costs

1.17 A supplier found guilty of fraud can no longer participate in public tenders. What does this represent? (2 marks)

- a) The process of selecting suppliers for a specific project
- b) The exclusion of a supplier from participating in future government contracts
- c) The negotiation of terms and conditions in a contract
- d) The evaluation of supplier performance in ongoing projects

1.18 A logistics company faces increased lead times due to international regulations and diverse supplier locations. What challenge is common in globalised markets? (2 marks)

- a) Reduced competition

- b) Increased supply chain complexity, risks, and uncertainties
- c) Limited access to international markets
- d) Lower customer demand variability

1.19 A supplier shares real-time inventory and delivery schedules with manufacturers to avoid stockouts. Which supply chain flow supports inventory optimisation and delivery scheduling? (2 marks)

- a) Reduced competition
- b) Financial flow
- c) Material flow
- d) Information flow

1.20 How does strategic sourcing differ from tactical sourcing? (2 marks)

- a) Strategic sourcing involves negotiating the lowest price, while tactical sourcing prioritises quality.
- b) Strategic sourcing focuses on long-term supplier relationships, while tactical sourcing emphasises short-term cost savings.
- c) Strategic sourcing excludes supplier collaboration, while tactical sourcing promotes collaboration.
- d) Strategic sourcing does not consider supplier performance, while tactical sourcing does.

1.21 A manufacturing company contracts an external IT firm to manage its helpdesk services. What does this arrangement represent? (2 marks)

- a) internal management of inventory and production processes
- b) Outsourcing processes to vendors or service providers
- c) The process of procuring goods and services from external suppliers
- d) Buy or make decisions

1.22 Namibia Statistics Agency, a public entity, is updating its procurement procedures. It considers macroeconomic factors like inflation, trade policies, and emerging technology. Which external influences could affect its procurement decisions? (2 marks)

- a) Economic growth
- b) Political stability
- c) Technological advancement
- d) All the above

1.23 The Office of the Prime Minister wishes to switch to a digital procurement system. What is a key benefit of this e-procurement method? (2 marks)

- a) Limited access to a broader range of suppliers
- b) Increased transparency and efficiency in procurement processes
- c) Higher costs due to technological requirements
- d) Decreased competition among suppliers

1.24 A company begins assessing its suppliers' social and environmental impacts when making purchasing decisions. What procurement strategy are they applying? (2 marks)

- a) Supply Chain Due Diligence
- b) Sustainable Procurement
- c) Sole Sourcing
- d) Competitive Bidding

1.25 Onayena Investment CC uses ABC analysis to manage its inventory. Which category includes high-value items with low frequency of use? (2 marks)

- a) Category A
- b) Category B
- c) Category C
- d) Category D

QUESTION 2: TRUE AND FALSE

(10 MARKS)

Read each of the following statements carefully. Indicate whether the statement is **True** or **False** by writing **ONLY** the correct answer. Each correct answer is worth one mark.

2.1 JIT inventory systems eliminate the need for safety stock.

2.2 Vendor-managed inventory (VMI) shifts inventory management responsibility to the supplier.

2.3 Logistics is the same as supply chain management.

2.4 Supply chain disruptions can be eliminated with proper planning.

2.5 A push-based supply chain relies on real-time customer demand.

2.6 Lead time is the total time from order placement to delivery.

2.7 Reverse logistics deals only with product returns.

2.8 The postponement strategy delays product customisation until customer orders are received.

2.9 A supply chain's carbon footprint is irrelevant to customer decisions.

2.10 3PL providers handle only transportation.

SECTION A: 60 TOTAL MARK

SECTION B: STRUCTURED

(40 MARKS)

QUESTION 3

ARK Trading Namibia is a leading building material supplier, offering lighting, plumbing, tiles, cement, paint, hardware, timber, and household goods. The store has been running low on paint recently due to increased demand from contractors and walk-in customers.

Based on the scenario above, briefly discuss the key steps in ARK Trading's procurement process for the paint? **(20 Marks)**

QUESTION 4

(20 MARKS)

JJ Investment is choosing between two order plans for one of its inventory items. The company expects to need about 84 units per month. In Plan 1, they will use a teletype to place orders. The cost to place each order is N\$40, which costs N\$100 per unit per year to store the items. In Plan 2, the order cost is N\$30 per order, but the storage cost is 20% of the unit price, and each unit costs N\$480.

- a) Find the EOQ of both plans? **(9 marks)**
- b) Find the Total Inventory Cost (TC) of inventory for each plan? **(6 marks)**
- c) Justify your answer? **(2 Marks)**

SECTION B: 50 TOTAL MARKS

TOTAL: 100 MARKS