



University of Choice

**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY
(MMUST)**

**UNIVERSITY SUPPLEMENTARY EXAMINATIONS
2021/2022 ACADEMIC YEAR**

**THIRD YEAR FIRST SEMESTER EXAMINATIONS
FOR THE DEGREE
OF
BACHELOR OF COMMERCE**

COURSE CODE: BCB 315

**COURSE TITLE: STRATEGIC SUPPLY CHAIN
MANAGEMENT**

DATE: MONDAY, 1ST AUGUST 2022 TIME: 8:00 - 10:00AM

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer other TWO questions
Do not write anything on the question paper

MMUST observes ZERO tolerance to examination cheating

The *Nestlé Cocoa Plan* aims to help farmers address the challenges they face through three pillars – better farming, better lives and better cocoa. It envisions “efficient supply chains” as one of its main objectives. Activities such as training in better agricultural practices, distributing higher-yielding plants, promoting gender equality and tackling child labor help farmers to improve the quality of their products as well as their income and livelihoods.

In Ecuador, the *Nestlé Cocoa Plan* is helping farmers transform their business models and become agripreneurs. Their training program, launched in 2017, comprises 15 four-hour sessions over six months. The sessions provide theoretical and practical skills in areas such as irrigation, fertilization, pruning and grafting, all of which help farmers improve their productivity and quality. Of more than 370 farmers trained so far, around 30% are under the age of 30, and 20% are women. A survey conducted on a sample of around 100 attendees of the 2017 and 2018 program showed that 40% had provided services and said their income had increased since the program.

One such young agripreneur is Wilson Matamoros, 24, who works on his family’s farm in Mocache, Los Ríos province. Having learned pruning techniques through Nestle program, he has increased the cocoa yield on the family farm and offers cocoa pruning services to other local farms, earning additional income. He now aims to become the leader of a group of cocoa pruners in the region.

Required

- a. Identify the nature of supply relationship that Nestle has tied up with the farmers in Ecuador (2 marks)
- b. Discuss the benefits that *Nestlé Cocoa Plan* accrues by establishing good buyer suppliers relationships (8 marks)
- c. *Discuss the shortcomings that Nestlé Cocoa Plan* is likely to face in execution of its strategic supply chains (10 marks)
- d. Discuss the various enablers of efficient supply chains as envisioned by *Nestlé Cocoa Plan* (10 marks)

Question 2

- a. Analyze the benefits that accrue to a buyer who develops his suppliers (10 marks)

- b. Discuss some of the benefits that accrue to an organization that uses Materials Requirement Planning systems (10 marks)

Question 3

- a. As a supply chain management expert, you have been invited to give a presentation on supply chain integration. Discuss any 5 dimensions of managing supply chain intergration that would not miss in your presentation. (10 marks)
- b. Citing relevant examples, discuss the benefits of adopting Just in time inventory scheduling technique (10 marks)

Question 4

- a. Your firm is in the process of sourcing for a supplier to supply building materials. Explain the factors of that you may consider during the exercise (10 marks).
- b. Companies are running away from the traditional push systems of inventory management to Just in Time. Discuss the various requirements for Successful Just in Time (10 marks)

Question 5

Often at times there are cases where the potential supplier is already a customer. It even appeals to go for a win-win relations where both parties cut a deal to thrive together; low costs make it possible to provide goods/services even in the most difficult external situations e.t.c. Some critics are against this arguing that if at any point during negotiations a potential supplier is given importance just because the supplier is an existing customer, it kills competition.

- a. Justify why an organization can opt to give importance to potential suppliers who are existing customers (6 marks)
- b. On the other hand, why should a purchasing entity refrain from giving importance to potential suppliers because they are customers (6 marks)
- c. How can supply chain organizations contribute to this kind of trade (8 marks)

