



*University of Choice*

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

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

**FIRST YEAR TRIMESTER EXAMINATIONS  
FOR THE MASTERS DEGREE  
IN  
BUSINESS ADMINISTRATION**

**COURSE CODE: MBA 896**

**COURSE TITLE: INVENTORY MANAGEMENT**

**DATE: WEDNESDAY, 27<sup>TH</sup> JULY 2022 TIME: 2:00 – 5:00PM**

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**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

## **Wholesale and Retail Nursery Goes from Paper- Intensive to Paperless Inventory Control**

Situated on 20 acres of land, Tri City Nursery delivers high-quality large caliper trees, shrubs, perennials and annuals to retailers, contractors and wholesalers across Utah, Colorado, Idaho and Wyoming. Tri City's previous inventory process required 8-10 people hand-counting trees, bushes and shrubs which range in size from five- to 25-gallon pots. Inventory counts were noted on paper and later entered into the computer system manually. To improve productivity and efficiency, Tri City Nursery moved away from pads and paper and implemented a mobile computing solution to keep a current count of every item on their lot. Working with Automated Office Systems, Tri City Nursery chose Janam XP20s running Counterpoint software from Radiant Systems with a Magic software interface that easily runs on the Palm OS ® . The software handles Tri City's inventory management and retail operations. The Palm OS-based Janam XP20 was chosen because of its barcode scanning capabilities, compact form factor and durability in tougher climates. Today, Tri City's inventory control process is fully automated and expeditious. To keep an accurate count of every item on the farm, each tree, shrub, bush, perennial and annual is tagged with a barcode. This contains all relevant information, including price, description and location. Using the XP20's stylus, the employee taps the screen to choose a section of the lot and begins to scan the tagged items in that area for an accurate count. At day's end, the Janam XP20 is returned to the cradle, and data is synchronized to the company's inventory control system. "Of course, the productivity benefits were immediate, and now we have an accurate count and know the exact location of every tree, shrub and bush," said Rick Worthen of Tri City Nursery. "The Janam XP20 works great in the field and easily scans the tagged barcodes. And we don't worry about the devices breaking, because they are tough enough to take the occasional drop, even if it's very muddy out there." Overall, this mobile computing solution reduces the number of Tri City staff needed, from the previous 8-10 person workforce down to one or two employees. It also cuts the time in half, to two weeks from a month.

### **Question One**

- a) Propose any five benefits of introducing inventory management to Tri City Nursery (10 marks)
- b) Propose any FIVE Techniques for effective inventory management at Tri City Nursery. (10 marks)
- c) As a supply chain expert, draft five performance metrics that can be used to assess the performance of Tri City Nursery Warehousing functions (10 marks)
- d) Propose any other FIVE measures which Tri City Nursery should put in place to enhance stock location (10 marks)

### **Question Two**

- a) You have been invited to give a presentation on contemporary issues in warehousing. Discuss the contents of your presentation (10 marks)
- b) The potential benefits of the application of inventory management concepts cannot be ignored. Discuss any of them (10 marks)

### **Question Three**

- a) Explain any five activities of inventory management that promote customer satisfaction (10 marks)
- b) Illustrate five common problems affecting lead time in inventory management (10 marks)

### **Question Four**

- a) Disputes could arise between the buying organization and the supplier when materials received in large quantities cannot be inspected and tested at the time of delivery but are received all the same. Discuss five precautionary measures that the parties can take to avoid legal challenges arising from such a delivery (10 marks)
- b) As a newly appointed warehouse manager at Kilimo Biashara PLC., analyse FIVE strategic issues you would consider if the company was to establish a new regional warehouse (10 marks)

### Question Five

- a) Inventory operations play a significant role in inventory management. Briefly discuss some of these operations (10 marks)
- b) Many years ago, companies tracked inventory manually with a system known as the card system or cardex. At present, many companies have completely automated their inventory tracking workflow. Discuss the advantages that accrue to companies adopting automated tracking (10 marks)