

110



University of Choice

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

**UNIVERSITY MAIN EXAMINATIONS
2022/2023 ACADEMIC YEAR**

**THIRD YEAR FIRST SEMESTER EXAMINATIONS
FOR THE DEGREE
OF
BACHELORS OF COMMERCE (PROCUREMENT AND SCM)**

COURSE CODE: BCB 315

COURSE TITLE: STRATEGIC SUPPLY CHAIN MANAGEMENT

DATE: WEDNESDAY, 14TH /12/2022 TIME: 3:00 – 5:00PM

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

ADENIA PARTNERS

Kenya has experienced a substantial increase in Mergers and Acquisitions (“M&A”) activity in recent years. The Deal Drivers Africa Report, published by Mergermarket, ranks Kenya among Africa’s most sought-after country for M&A transactions. Additionally, until the onslaught of the COVID-19 pandemic, M&A activity in the East Africa region had increased significantly in recent times, with Kenyan deals dominating the market. The East African regional economy (in which Kenya has the largest economy) continues to be a key driver for sub-Saharan Africa’s growth.

Like in many emerging markets, private equity-driven transactions are one of the main drivers of M&A activity in Kenya. In recent years, the country has seen an increase in interest from private equity and venture capital firms looking to invest in banking and financial services, TMT, energy, fast-moving consumer goods and real estate, among other sectors.

Adenia Partners (a PE firm investing in Sub-Saharan Africa) in 2019 announced that it had completed a **majority investment in Quick Mart Limited**, which operates a chain of 11 supermarkets in Kenya, with nine stores located in neighbourhood estates in Nairobi, and another two stores in the town of Nakuru. The transaction had been structured through Adenia Capital (IV), a EUR230-million investment fund. The investment will be utilised to expand Quick Mart’s store network in convenient neighbourhood locations, as well as strengthen operational efficiencies that are aligned to international retail best practices.

This transaction also paved the way for the subsequent merger of Quick Mart with Tumaini Self Service Limited, another supermarket retailer in Kenya that Adenia acquired in 2018. Quick Mart and Tumaini currently have a combined store network of 25 stores, making the merged entity the third largest retailer in Kenya by store network; thus, Adenia becomes the majority owner of the combined company.

Required:

- a. State the nature of integration between Quick Mart and Tumaini Self Service Ltd.
(2 marks)
- b. Discuss the benefits that a supply chain accrues by intergrating internally and externally
(8 marks)
- c. Organizational strategies in Quick Mart Ltd. and Tumaini Self Service Ltd. focus lay emphasis on customer satisfaction, business growth and a business competition in its environment. Explain four of these strategies
(10 marks)

- d. Discuss the benefits that Quick Mart Ltd. is likely to accrue by developing good relationships with its suppliers (10 marks)

Question Two

- a. Citing relevant examples, discuss the benefits of adopting Just in time inventory scheduling technique (10 marks)
- b. Briefly Explain some of the areas of sourcing information (10 marks)

Question Three

- a. As a supply chain management expert, you've been invited to give a presentation on the enablers of any supply chain. Discuss the contents of your presentations (10 marks)
- b. Discuss some of the factors influencing the make or buy decisions (10 marks)

Question Four

- a. Discuss the circumstances under which the suppliers bargaining power may be higher than the buyers bargaining power (10 marks)
- b. Give reasons as to why you would put preference to one supplier and not other for the supply of goods, works or services. (10 marks)

Question Five

- a. Evaluate any FIVE reasons why a company operating in Kenya would prefer purchasing products from overseas markets to buying locally. (10 marks).
- b. Discuss the objectives that Just in time aims at achieving (10 marks)