(THE *UNIVERSITY OF CHOICE*)

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

UNIVERSITY MAIN EXAMINATIONS
2023/2024 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER EXAMINATIONS
FOR THE DEGREE
OF
BACHELOR OF COMMERCE

COURSE CODE: BCB 332

COURSE TITLE: LOGISTICS MANAGEMENT

DATE: THURSDAY 11TH APRIL 2024 TIME: 3.00-5.00 PM

INSTRUCTIONS TO CANDIDATES

- ATTEMPT QUESTION ONE AND ANY OTHER TWO QUESTIONS

TIME: 2 HOURS

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over.

QUESTION ONE

Read the case below and answer questions which follow.

The Schenker Group

The Schenker group was founded in Germany more than 125 years ago, and has been working internationally ever since. They employ 2800 people, serving customers in 1000 locations. Schenker now provide a range of logistics services including international air and ocean freight, logistics management and land transport. They provide seamless movement of customer products and information across global supply chains, using the latest technology and developing sophisticated systems for ecommerce. However, their strategic focus is on customer service.

Schenker opened in the USA in 1047 and now have 46 offices in major cities. All of these are ISO 9002 certified which is in line with their strategy of complete customer satisfaction. This strategy is clear from their statement that 'our customers are our future. Without them – there is no future.' To support this view, the company gives a number of guarantees starting with:

Our customers will always be the center of our complete attention.

We will earn our customers trust every day, and we will never take their business for granted

Our customers are our partners in business. There needs will be our needs.

Schenker also describe the ways that they will achieve customer satisfaction such as:

We will service our customers in an innovative, pro-active manner. We will always be aware of how our service impacts their business.

This overriding strategy of customer satisfaction sets the scene for all other logistics activities. When they work in Copeland corporation in Alabama, their primary goal remains customer satisfaction, but to achieve this they have to attain the secondary goals of shorter stock cycles, faster delivery, lower stocks and lower costs.

Source: www.schenker.com/promotional material

a) Schenker group has opted for a range of logistical transport services.
   i) Identify this mode of transport (2mks)
   ii) How is this group likely to be disadvantaged as a result of using water transport as one of the options. (8mks)

b) With reference to the case above, explain ***five*** ways in which Schenker group can maintain customer loyalty and level of satisfaction. (10mks)

c) Suggest to these group five ways in which they can maintain customer loyalty (10mks)

QUESTION TWO

(a) Logistics performance measurement is the process of monitoring and evaluation activities to determine their conformance to the requirements. Identify and discuss internal performance measures of a logistical concern. (10mks)

(b) Inventory may be defined as usable but idle resource. Elucidate any ***three*** major forms of inventory and provide the formulae for determining each one of the inventories provided. (10mks)

QUESTION THREE

(a) Group technology is a modular manufacturing system which involves organizing machineries so that related products can be manufactured in a continuous flow. Clearly bring out the benefits of this inventory control method. (10mks)

(b) i) Peter Onyango buys stationery for Total Kenya Limited. The demand for Printed forms is constant at 20 boxes a month. Each box of forms costs Ksh.4500, the cost of processing an order and arranging delivery is Ksh. 9000 and holding cost is Ksh. 2700 a box a year. Calculate the economic order quantity. (5 mks)

ii) You have been hired as a procurement officer for Nyumbani Logistics Company. You are required to identify and select the best suppliers for this firm for the year 2024. What factors would you consider in determining the best suppliers (5mks)

QUESTION FOUR

(a) The logistics plan starts with a definition of customer service, goals and strategies. Discuss any ***five*** major steps in the logistics planning process. (10 mks)

(b) Warehouse is a location provided with adequate facilities where bulk shipments are received from production centers. Identify five functions of warehousing operations among Kenyan manufacturing concerns. (10mks)

QUESTION FIVE

(a) Materials handling is a process of movement of raw materials, WIP, and finished goods. Bring out the objectives served by this process in a logistical management (10mks)

(b) There are attempts to revive the collapsed Mumias Sugar Company through a privatization program. Provide five tips for creating an effective logistics strategy that can revamp the Company. (10mks)