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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
FOURTH YEAR, SECOND SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 13th August, 2024
Time: 11.30am –1.30pm

KPS 2402 SUPPLIES MANAGEMENT

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

KEMSA PURGE

In early 2020, the COVID-19 pandemic caused a global health crisis, significantly impacting supply chains worldwide. In Kenya, the government faced immense pressure to procure and distribute medical supplies, including personal protective equipment (PPE), ventilators, and COVID-19 testing kits, to combat the virus's spread. The Kenya Medical Supplies Authority (KEMSA) was tasked with managing the procurement and distribution of these essential supplies. However, the pandemic exposed several weaknesses in the supply chain management system. Due to the sudden surge in demand, KEMSA struggled with shortages, delays, and logistical challenges. Additionally, there were reports of inflated prices, hoarding, and corruption, further complicating the supply chain. A critical incident occurred when a shipment of PPE from an international supplier was delayed due to logistical bottlenecks at the port of Mombasa. This delay exacerbated the already dire situation in public hospitals, where healthcare workers were forced to reuse PPE, increasing their risk of infection. Furthermore, an audit revealed that some supplies procured by KEMSA were not meeting quality standards, leading to wastage of resources and posing risks to the users. The government and KEMSA were criticized for their lack of preparedness, transparency, and inefficiency in managing the supply chain during the crisis. Despite these challenges, KEMSA took several steps to address the issues, including collaborating with local manufacturers to produce PPE and implementing digital tracking systems to monitor inventory levels and distribution. These measures aimed to enhance supply chain resilience and ensure the timely delivery of essential supplies.

Questions:

- Identify the key supply chain management challenges faced by KEMSA during the COVID-19 pandemic. (6 marks)
- Discuss the approaches that could have helped KEMSA to mitigate the crisis more better with other supply chain distributors or intermediaries in the public hospital. (6 marks)
- Transparency and accountability is indispensable in managing the supply chain during a crisis. How did the lack of these elements affect KEMSA's performance? (6 marks)

- d) KEMSA tried to collaborate with local manufactures in order to produce personal protective equipment like masks but the demand kept growing. Discuss how integrated demand can help in such a crisis? (6 marks)
- e) Suggest benefits the government and KEMSA could accrue from improving the supply chain resilience in the healthcare sector during pandemics or similar crises. (6 marks)
- f) Consider the ethical implications of supply chain management failures during a health crisis. How can ethical practices be ensured in the procurement and distribution of medical supplies? (6 marks)
- g) Inventory control is very critical in any supply chain function however in order to stock inventory must be well managed. Discuss the basic support activities for an efficient value chain. (4 Marks)

QUESTION TWO (20 MARKS)

- a) Explain the role of marketing department in enhancing performance of supply management department in an organization. (8 Marks)
- b) Describe the aspects that should be incorporated in the materials handling system in an organization? (6 Marks)
- c) Explain the factors that may hinder effective management and use of the manual material handling system in an organization? (6 Marks)

QUESTION THREE (20 MARKS)

- a) A preliminary warehouse design presented to the management for review has been rejected. Explain the aspects of design that may have led this situation. (8 Marks)
- b) Explain the challenges that a distribution firm may face while controlling the movement of its products in the market. (6 Marks)
- c) Madam Alice Karemi a distribution officer at poto limited intends to prepare a physical distribution plan for the company. Explain the factor to consider when carrying out the task. (6 Marks)

QUESTION FOUR (20 MARKS)

- a) Outline the necessary elements that may constitute the total costs in the integrated supply logistics operations. (8 Marks)
- b) Jambo enterprises has installed an online storage system in its warehousing operations. Explain the benefits that the firm may derive from such a system. (6 Marks)
- c) Using relevant examples outline the types of cost that constitute the effective manage of a stores facility. (6 Marks)

QUESTION FIVE(20 MARKS)

- a) Some organizations are reluctant to adopt the integrated supply logistics system in the operations. Discuss the benefits of the integrated supply chain logistics concept in a competitive market. (8 Marks)
- b) Outline the factors that an organization should consider when designing packaging materials for its goods. (6 Marks)
- c) Highlight benefits that an organization may derive from outsourcing its logistics function. (6 Marks)