

BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF COMMERCE
DEPARTMENT OF ECONOMICS
BACHELOR OF SCIENCE HONOURS DEGREE IN PURCHASING & SUPPLY
SCM 107: MATERIALS PLANNING AND PRODUCTION CONTROL
PAS 202: LOGISTICS IN PURCHASING AND SUPPLY 2

MAR 2024

DURATION: 3 HOURS TOTAL MARKS: 100

INSTRUCTIONS TO CANDIDATES

- i. Section A [Compulsory]
- ii. Answer any 3 questions from [Section B]
- iii. Begin a new answer on a new page
- iv. All questions carry 25 marks

SECTION A [compulsory]
Answer all questions in this Section

QUESTION ONE

- a) Describe Break-Even analysis and explain its components? [10 marks]
- b) How can Break-Even analysis be used in decision making related to inventory management and capacity planning? [15marks]

SECTION B**Answer three questions in this section****QUESTION TWO**

- a) Briefly explain 5 Porter's Generic strategies as a business strategy? [10 marks]
- b) Do you think these strategies review a greater relevance if a manufacturing company in Zimbabwe implements it? Support your view? [15 Marks]

QUESTION THREE

- a) How can an organization assess the performance of their Logistics network design? [15 marks]
- b) Explain the factors to be considered when designing a logistics network design? [10 marks]

QUESTION FOUR

As a Procurement Officer in a manufacturing organization. Describe how you contribute to the objectives in the department? [25 marks]

QUESTION FIVE

Compare and contrasts continuous review and periodic review system systems? [25 marks]

QUESTION SIX

- a) VHW operates 48 weeks /year. In 2018, their cost of goods sold was \$87 000. VHW trading carries 7 Stock Keeping Units in its storeroom. The table below shows the nature and quantities of the SKUs that are kept:

Category	Part number	Av inventory units	Value
Raw materials	Rm -1	8 00	\$1.44
	Rm-2	9 900	\$1.25
	Rm-3	9300	\$2.00
Work in progress	Wp-1	3 70	\$1.09
	Wp-2	8 200	\$0.25
Finished goods	Fg-1	800	\$4.33
	Fg-2	40	\$4.77

Calculate the following for VHW;

i. Weeks of supply?

[5 marks]

ii. Inventory Turnover?

[5 marks]

b) What strategies can be used by a manufacturing firm seeking to reduce stock levels for each of the inventory classes in line with minimum inventory objective?

[15 marks]

END OF PAPER