

Name: \_\_\_\_\_

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2903/107

**WAREHOUSING OPERATIONS AND  
STOCK CONTROL**

November 2015

Time: 3 hours

Candidate's Signature: \_\_\_\_\_

Date: \_\_\_\_\_



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**  
**DIPLOMA IN SUPPLY CHAIN MANAGEMENT**  
**MODULE I**

WAREHOUSING OPERATIONS AND STOCK CONTROL

**3 hours**

**INSTRUCTIONS TO CANDIDATES**

*Write your name and index number in the spaces provided above.*

*Sign and write the date of examination in the spaces provided above.*

*This paper consists of SEVEN questions.*

*Answer any FIVE questions in the spaces provided in this question paper.*

*All questions carry equal marks.*

*Candidates should answer the questions in English.*

**For Examiner's Use Only**

Question	1	2	3	4	5	6	7	TOTAL SCORE
Candidate's Score								

**This paper consists of 16 printed pages.**

**Candidates should check the question paper to ascertain that all the  
pages are printed as indicated and that no questions are missing.**

1. (a) The Management of Faru Company Limited has decided to have both centralized and decentralized warehouses. Explain **five** reasons that may have led to this decision. (10 marks)
- (b) As a warehousing manager in Fashion Company Limited, explain **five** factors you would consider when receiving goods from suppliers. (10 marks)
2. (a) Jei Company Limited issues some stores on verbal request from users. Highlight **five** reasons why this practice should be discontinued. (10 marks)
- (b) Dee Company Limited has hired a consultant to assist in the classification and coding of its materials requirements. Outline **five** benefits that would accrue to the organization as a result of the decision. (10 marks)
3. (a) Highlight **six** reasons which an organization would give for **not** adopting Enterprise Resource Planning as a stock control method in its operations. (12 marks)
- (b) Explain **four** advantages to an organization that adopts random stock location system. (8 marks)
4. (a) Maji Mazuri Company Limited is in the process of designing a stores layout. Highlight **five** factors that should be considered while making the decision. (10 marks)
- (b) Highlight **five** methods that an organization can use to preserve its materials. (10 marks)
5. (a) Many organizations are adopting containerization as a method of packaging their materials. Explain **five** reasons that might have led to this trend. (10 marks)
- (b) Highlight **five** challenges that an organization would face when using cranes as materials handling equipment in its operations. (10 marks)
6. (a) Sisi Company Limited has adopted vendor managed inventory as a technique of inventory control. Outline **five** advantages to the company as a result of the decision. (10 marks)
- (b) A few organizations are still using manual stock recording systems. Justify this practice in the 21st century. (10 marks)
7. (a) Soso Company Limited usually conduct stocktaking exercise on 30<sup>th</sup> June every year. Explain the nature of preparation the company needs to make before that day. (10 marks)
- (b) Highlight **five** measures a store controller would put in place to safeguard materials against fire outbreaks. (10 marks)