

2903/107
WAREHOUSING OPERATIONS
AND STOCK CONTROL
November 2022
Time: 3 hours



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

WAREHOUSING OPERATIONS AND STOCK CONTROL

3 hours

INSTRUCTIONS TO CANDIDATES

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.

This paper consists of 2 printed pages.

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

1. (a) A seed distribution company has decided to centralize its warehousing function. Explain **five** reasons that may justify this decision. (10 marks)
- (b) Explain **five** safety measures that an organization may put in place when handling poisonous substances. (10 marks)
2. (a) Monda Limited incurred high demurrage charges in the last financial year. Explain **five** measures that the company may put in place to reverse the situation. (10 marks)
- (b) Explain **five** challenges that a warehouse manager may face when curbing fraudulent activities in a warehouse. (10 marks)
3. (a) Explain **five** indicators of an efficient issuance function in a warehouse. (10 marks)
- (b) Outline **five** basis that an organization may use when classifying its materials. (10 marks)
4. (a) Explain **five** factors that an organization should consider when constituting a stock-taking team. (10 marks)
- (b) Outline **five** circumstances under which the fixed stock location method may be appropriate in a warehouse. (10 marks)
5. (a) Explain **five** circumstances under which an organization may computerize its stock records. (10 marks)
- (b) Outline **five** activities that may be undertaken in the marshalling area of a warehouse. (10 marks)
6. (a) Lead time variability affects that amount of goods to order. Explain **five** causes of such variations. (10 marks)
- (b) Explain **five** factors that an organization may consider when choosing a materials preservation method for its goods. (10 marks)
7. (a) Explain **five** measures that an organization may adopt to minimize the obsolescence risk of its materials handling equipment. (10 marks)
- (b) Explain **five** ways in which an organization may reduce its packaging cost. (10 marks)

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