

Name _____ Index No. _____

1903/101
 WAREHOUSING OPERATIONS
 AND STOCK CONTROL
 July 2015
 Time: 3 hours

Candidate's Signature _____

Date _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL

**CRAFT CERTIFICATE 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 the examination in the spaces provided above.

This paper consists of TWO Sections; A and B.

Answer ALL the questions in Section A and any FOUR questions from Section B in the spaces provided after question 16.

Do NOT remove any pages from this question paper.

Candidates should answer the questions in English.

For Examiner's Use Only.

Section	Question	Maximum Score	Candidate's Score
A	1 - 10	32	
B		17	
		17	
		17	
		17	
Total 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.

SECTION A (32 marks)

Answer **ALL** the questions in this section in the spaces provided after each question.

1. Highlight **four** factors that an organization should consider when coding its stock. (4 marks)

(i) _____
(ii) _____
(iii) _____
(iv) _____

2. Outline **four** functions of the stock control department in an organization. (4 marks)

(i) _____
(ii) _____
(iii) _____
(iv) _____

3. State **three** benefits that may accrue to an organization from using blind stocktaking in its stock control operations. (3 marks)

(i) _____
(ii) _____
(iii) _____

4. Identify **four** factors that a warehouse officer should consider when deciding on the method to use in materials inspection. (4 marks)

(i) _____
(ii) _____
(iii) _____
(iv) _____

5. Identify **three** types of costs associated with a stock controlling exercise in an organization. (3 marks)

(i) _____
(ii) _____
(iii) _____

- 6. List **two** disadvantages of using fixed stock location system in an organization. (2 marks)
 - (i) _____
 - (ii) _____

- 7. Outline **four** types of information contained in a consignment note. (4 marks)
 - (i) _____
 - (ii) _____
 - (iii) _____
 - (iv) _____

- 8. State **three** reasons that may influence an organization to automate its stock recording system. (3 marks)
 - (i) _____
 - (ii) _____
 - (iii) _____

- 9. Outline the characteristics of an efficient stores layout. (2 marks)
 - (i) _____
 - (ii) _____

- 10. List **three** benefits of servicing materials handling equipment in an organization. (3 marks)
 - (i) _____
 - (ii) _____
 - (iii) _____

Answer any **FOUR** questions from this section: in the spaces provided after question 16.

11. (a) Explain **four** circumstances under which an organization may find it appropriate to use the fixed stock location method in its stores operations. (8 marks)
- (b) ZY Company Limited has maintained the following information on a commonly used item in its operations.
- | | | |
|---------------------|---|------------------------|
| Usage rate | - | 300 units - 600 units. |
| Lead time | - | 6 - 8 days |
| Re-order quantities | - | 2,000 units |
- Calculate the:
- (i) re-order level;
- (ii) maximum stock level. (9 marks)
12. (a) It is important for the warehousing department to establish good working relationship with other departments in order to achieve the objectives of an organization. Explain **four** aspects in which the warehouse department should relate with the transport department. (8 marks)
- (b) Debs Company Limited intends to design a warehouse layout in its operations. Highlight **six** factors that the firm should consider when selecting the warehouse layout design. (9 marks)
13. (a) Highlight the significance of preserving materials in a warehouse. (8 marks)
- (b) Explain **six** circumstances under which an organization may use 100% method when inspecting incoming consignments. (9 marks)
14. (a) Highlight **six** factors that a warehouse officer should consider when selecting a materials handling equipment for use in a warehouse. (9 marks)
- (b) Explain **four** functions of a bonded warehouse. (8 marks)
15. (a) ABC Company Limited intends to carry out its annual stocktaking exercise. Explain **six** challenges that the stocktakers may face when carrying out the exercise. (9 marks)
- (b) Explain the importance of packing materials in an organization. (8 marks)
16. (a) The management of Toti Company Limited is concerned about frequent loss of materials from its warehouse. Highlight **six** security measures that the company should take to reduce such cases. (9 marks)
- (b) Explain **four** advantages of using robots for handling materials in a warehouse. (8 marks)