



**AFRICA
UNIVERSITY**

(A United Methodist-Related Institution)

"Investing in Africa's Future"

FACULTY OF MANAGEMENT AND ADMINISTRATION

COURSE TITLE: MKT302 PURCHASING AND MATERIALS MANAGEMENT

END OF SECOND SEMESTER EXAMINATIONS

LECTURER: MR. A.M.GUMBO

TIME: 3 HOURS

INSTRUCTIONS

Answer all questions in Section A and any **two** questions of your choice from Section B. Each question in section B carries 25 marks

Credit will be given for logical, systematic and neat presentations.

Anyone caught cheating will be disqualified

SECTION A : Answer all questions in this part.

1. Define "Integrated materials management". (2)
2. What is the prime objective of purchasing in an organisation? (1)
3. Why is quality of raw materials particularly important in a manufacturing organisation? (1)
4. Define quality according to British Standards Institutions. (2)
5. What kind of purchasing is sometimes referred to as "stock less" buying? (1)
6. What is tendering and briefly state how it works? (2)
7. State four process/cycle stages of purchasing and give an example of documents used in each stage. (4)
8. Name any two types of stock taking commonly used in materials management. (2)
9. What is the meant by lead time in purchasing. (2)
10. What are the 3 most common functions of stores department? (3)
11. Give three reasons why a firm in Africa will be advised to keep stocks of materials. (3)
12. Name 3 varieties of the visual control methods used in controlling inventory in a manufacturing business. (3)
13. Define these abbreviations in full and explain what each means for either the buyer or the seller. (3)
 - I. FOB
 - II. EOQ
 - III. CIF
14. Name any three types of tenders covered in your course. (3)
15. What is the difference between "cost on materials" and "cost of materials"? (2)
16. Name any four methods used to evaluate stock after a stock taking exercise. (2)
17. What is a travelling requisition? Why is it called so-called? (2)
18. What is the BIN card in materials management and what is it used for? (2)
19. Define obsolescence in materials management. (1)
20. What do these letters stand for in inventory management? (2)
 - I. FSN

II. VED

21. What do we call wooden frames where products are stacked for easy carriage and stocking within a storeroom? (1)
22. Name the two documents used (1) to accompany rejected goods of materials to the supplier (2) to avoid customer being charged for such goods? (1)
23. What is the special need for an end of year stock taking in a business? (1)
24. What role does a Professional Association play in ensuring ethical behaviour in Purchasing and Supply? (4)

SECTION B : Choose and answer Two essay-type questions from here. Each full question is worth 25 marks.

1. Discuss the vital role played by the stores department in relationship with all other user departments covering issues/information communicated between stores and the departments.
2. Discuss the various modes of transportation available to a Marketing organisation showing the advantages and disadvantages of each mode.
3. Outline the stages and steps followed in a good purchasing system showing what documents are used at each stage and step.
4. Choose any TWO types of Stock/Inventory Control system (including its varieties where more than one exists) from the list below and clearly outline how they work as control systems :-
 - i) Action level method
 - ii) Periodic review method
 - iii) Visual control methods (including varieties)
 - iv) Selective control methods (" ")

END OF PAPER