

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND SEMESTER EXAMINATION 2014

FULLTIME

TITLE OF PAPER : MARKETING LOGISTICS/ PURCHASING
AND SUPPLY CHAIN MANAGEMENT

COURSE : BA 422/BA430

DEGREE AND YEAR : BCOM 4

TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS
GRANTED PERMISSION

SECTION A (COMPULSORY)**READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW****STUCK WITH STOCK**

“I cannot believe it!. Are you telling me we have 29 Tiger taps in our storeroom that we don’t know about”. Joseph Mare, the owner and founder of Mare Bathrooms, shouts into the phone. ”These taps are worth nearly R90 000. How did we lose count of them?”

Mark Benson, the sales manager of Mare Bathrooms, momentarily holds the phone from his ear and shakes his head. “I don’t know, Joseph. The taps were on another shelf in the storeroom. If I had not seen them during the year end stocktake, I would not have believed it either.”

“This makes me wonder what else is in the store? You have always been 100% informed about our stock, so this discovery comes as a huge stock. How come you did not know about the stock? Mare continues. “Everything else seems fine, it was only the Tiger taps. Apparently they were in the store for almost a year, and I honestly don’t know how we forgot about them,” Benson replies.

Mare started Mare Bathrooms in 1998, after a successful career at a large company in the same field. He knew the market well and focused on expensive, imported Italian and English taps, basins and accessories. Mare signed exclusive distribution deals with suppliers and was popular with developers of luxury apartments and homes.

During the early 2000s, he regularly received large orders from several developers who wanted taps and basins for major developments, ranging from a few houses to 60 units.

Mare consequently started an aggressive, direct marketing campaign and targeted these developers to increase large contracts. He also appointed Benson to manage the business’s two retail outlets and a large storeroom at the larger retail outlet.

Benson managed the storeroom with precision, using an Excel spreadsheet on his laptop computer. He carefully listed all incoming items and, when they were sold, deleted them from life. Mare was also in charge of all import arrangements. He usually placed large orders for popular products at the beginning of the year and small quantities of irregular orders when they were needed.

“We lost a R200 000 contract two months ago, because we thought there were no Tiger taps. We probably lost more business, as clients could have bought other accessories. I know you didn’t do it intentionally, but we cannot afford another mistake like that again,” Mare says.

“I’m really sorry, I still don’t know how it could have happened. There are no records of these items being brought into the storeroom. This is the first time that my system has let us down. It is serious and I don’t know if I can trust it again,” Benson says. “Do we need a new system, or do we keep the Excel spreadsheet?”

QUESTION 1

- a) Describe the various roles of stock (inventory), including the different types of stock (inventory) and inventory drivers. (20 MARKS)

- b) How should Mare Bathrooms approach their stock (inventory) management problem? (20 MARKS)

SECTION B (ANSWER ANY THREE QUESTIONS)**QUESTION 2**

Discuss the different ways in which logistics contributes to economic value of the firm.
(20 MARKS)

QUESTION 3

- a) Discuss the objectives of procurement management. (10 MARKS)
- b) Explain how e-procurement improves the procurement of goods and services.
(10 MARKS)

QUESTION 4

Deliberate on the strengths and weaknesses of the various modes of transportation and then discuss the role of multimodal solutions.
(20 MARKS)

QUESTIONS 5

- a) Describe the various types of packaging materials available and their relative advantages and disadvantages. (12 MARKS)
- b) Explain the rationale for using bar codes to identify packages. (8 MARKS)