

**UNIVERSITY OF SWAZILAND**  
FACULTY OF COMMERCE  
DEPARTMENT OF BUSINESS ADMINISTRATION  
SECOND SEMESTER EXAMINATION 2015  
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****GRILL RITE-CLOSING CASE STUDY**

Grill Rite is an old-line company that started out making wooden matches. As that business waned, the company entered the electric barbeque grill market, with five models of grills it sells nationally. For many years the company maintained a single warehouse from which it supplied its distributors.

The plant where the company produces barbeque sets is located in a small town, and many workers have been with the company for many years. During the transition from wooden matches to barbeque grills, many employees gave up their weekends to help change over the plant, and learn the new skills they would need without pay. In fact, Mac Wilson, the company president, can reel off a string of such instances of worker loyalty. He has vowed to never lay off any workers, and to maintain a full employment, and a steady rate of output. 'Yes, I know demand for these babies (barbeque grills) is seasonal, but the inventory boys will just have to deal with it. On an annual basis, our demand matches sales'.

Inventory is handled by a system of four warehouses. There is a central warehouse located near the plant that supplies some customers directly, and the three regional warehouses. Regional warehouse managers, stung by complaints from sales managers, have responded by increasing their order sizes from the main warehouse and maintaining larger amounts of safety stock. This has resulted in increasing inventory holding costs, but it hasn't eliminated the problem. Complaints are still coming in from salespeople about their shortages and lost sales. According to manager of the regional warehouses, their orders to the main warehouse aren't being shipped, or when they are, they are in smaller quantities than requested. The manager of the main warehouse, Jimmy Joe ('JJ'), says his policy is to give preference to 'filling direct orders from actual customers, rather than warehouse orders that might simply reflect a warehouse trying to replenish their safety stock. And besides, I never know when I'll get hit with an order from one of the regional warehouses. I guess they think we've got an unlimited supply. I thought when

we added the warehouses, we could just divide our inventory among the warehouses, and everything would be okay.'

When informed of the 'actual customer' remark, a regional warehouse manager exclaimed. 'We're their biggest customer!'

Julie Berry also mentioned that on more than one occasion she found that items were out of stock at one regional warehouse, but were in ample supply in at least one other regional warehouse.

### QUESTION 1

- a) As a consultant called in by Grill Rite president Mac Wilson, explain to the various warehouse managers, the objectives of efficient warehouse operations. **(20 MARKS)**
  
- b) Identify the main problems that the company is encountering and then provide the solutions to eliminate these problems. **(20 MARKS)**

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

- a) Discuss the difference between qualitative and quantitative forecasting techniques. (10 MARKS)
- b) Expound on the relationship of procurement with other entities within the organisation. (10 MARKS)

**QUESTION 3**

- a) Describe the role of packaging in logistics. (8 MARKS)
- b) Refill packages for fabric softener are sometimes packaged in plastic pouches. What benefits do these pouches hold for the manufacturer, retailer and consumer? (12 MARKS)

**QUESTION 4**

Discuss the elements that must be considered in the selection of a transportation mode. (20 MARKS)

**QUESTIONS 5**

All facilities must move with the times and introduce bar coding and scanning in order to be effective. Comment on this assertion and motivate your answer. (20 MARKS)