

**UNIVERSITY OF ESWATINI**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**SUPPLEMENTARY EXAMINATION**  
**JULY 2019**

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TITLE OF THE PAPER : OPERATIONS MANAGEMENT 11

DEGREE : BACHELOR OF COMMERCE

COURSE : BA 439 AND BA 505 (IDE)

TIME ALLOWED : THREE (3 HOURS)

Instructions:

1. THIS PAPER CONSISTS OF SECTION A AND SECTION B)
2. SECTION A IS CASE STUDY AND IT IS COMPULSORY QUESTION
3. ANSWER ANY TWO QUESTIONS FROM SECTION B

Note: You are reminded that in assessing your work, account will be given of accuracy of language and the general quality of expression, together with layout and presentation of your final answer.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED THE PERMISSION

## SECTION A – COMPULSORY

A South Africa farm implements dealer is seeking a forth warehouse location to complement three existing washhouses in Eswatini. There are six potential locations, Buhleni, Hhohho; Sidvokodvo, Manzini and Mpaka ,Lubombo. Buhleni would involve a fixed cost of E4,000 per month and variable cost of E4 per unit; Sidvokodvo would involve a fixed cost of E3,500 per month and a variable cost of E5 per unit; and Mpaka would involve a fixed cost of E5,000 per month and a variable cost of E6 per unit. Use of Buhleni would increase the system transport cost by E19, 000 per month. Sidvokodvo by E22, 000 per month and Mpaka by E18, 000 per month.

### Question 1.

- a. Calculate cost volume analysis and state which location would result in the lowest total cost to handle 800 units per month? **12 marks**
- b. Identify and discuss any three location decision factors on the following the South Africa farm implements dealer should consider :-
  - i. Regional factors
  - ii. Community considerations
  - iii. Multiple Plant strategies
  - iv. Site related factors

**Total marks 30**

- c. Explain to South African farm dealer implementer four factors that should be considered for foreign locations. **8 marks**

**Total Marks (50)**

**SECTION: ANSWER ANY TWO QUESTIONS IN THIS SECTION.**

**Question 2**

Mr Nxulalo intend to start a production handcraft at Matsapha because the Ezulwini Market is flooded.

- a. Advice on four determinates to which the product could satisfy the Matsapha intended market **13 marks.**
- b. Discuss four consequences of poor quality on production of handcraft **12 marks.**

**Total 25 marks**

**Question 3**

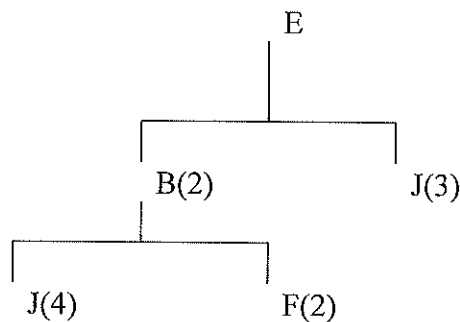
Matsapha Production Company ensure that inventory is not an idle resource and he want to know philosophy of lean and Kaizen on wastages.

- a. Identify and explain seven lean philosophy on wastage **15 marks**
- b. Discuss any five Kaizen philosophy for eliminating waste **10 marks**

**Total: 25 marks**

**Question 4**

Eighty units of the end item E are needed at the beginning of week 6. Three cases (30 units per case) of J have been ordered and one case is scheduled to arrive in week 3, one week 4, and one in week 5. *Note:*J must be ordered by the case, and B must be produced in the multiples of 120 units. There are 60 units of B and 20 units of J now on hand. Lead times are two weeks each for E and B, and one week for J.



- a. Prepare a material requirements plan for component 1
- b. Suppose that in week 4 the quantity of E needed is changed from 80 to 70. The planned –order releases through week 3 have all been executed. How many Bs and Js will be on hand in week 6?

**Total: 25 marks**