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12. a) i) Explain the purposes, similarities and differences among purchase requisitions, purchase orders and requests for quotation. (8)
ii) Discuss the duties of the receiving department upon receipt of goods. (5)
(OR)
- b) i) Describe the six factors that should be used in selecting a supplier. (5)
ii) Type of product is a factor that influences the approach to negotiation. Name the four categories of products and state what room there is for negotiation. (8)
13. a) i) How does Radio Frequency Identification (RFID) Technology in store management work? (5)
ii) Discuss the three prime objectives of materials handling and explain the characteristics of conveyors, industrial trucks and cranes. (8)
(OR)
- b) i) Describe the eight warehouse activities as they would apply to a supermarket. (6)
ii) Why is stock location important in a warehouse? Name and describe four basic systems of stock location and give examples of each system from a retail setting. (7)
14. a) i) Summarize the purpose of forecasting for strategic business planning, production planning and master production scheduling. (8)
ii) Outline the characteristics and differences between qualitative, extrinsic and intrinsic forecasting techniques. (5)
(OR)
- b) i) Describe the problems that might come from using an incorrect bill of material in MRP. (6)
ii) Discuss the differences among planned orders, released orders and firm planned orders. (7)
15. a) Explain the basic premise of ABC analysis and discuss the three steps in making an ABC inventory analysis. (13)
(OR)
- b) i) What effect does a JIT environment have on MRP? Explain. (5)
ii) Explain the major general elements that help in the development of a JIT system. (8)



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PART - C

(1×15 = 15 Marks)

16. a) A company is negotiating with a potential supplier for the purchase of 10,000 widgets. The company estimates that the supplier's variable costs are \$ 5 per unit and that the fixed costs, depreciation, overhead and so on, are \$5000. The supplier quotes a price of \$10 per unit. Calculate the estimated average cost per unit. Do you think \$10 is too much to pay? Could the purchasing department negotiate a better price? (15)

(OR)

- b) Over the past year, a company has sold the following ten items. The following table 1 shows the annual sales in units and the cost of each item.
- Calculate the annual dollar usage of each item.
 - List the items according to their total annual dollar usage.
 - Calculate the cumulative annual dollar usage and the cumulative percentage of items.
 - Group the items into A, B and C groups based on percentage of annual dollar usage. (15)

Part Number	Annual Unit Usage	Unit Cost \$
1	21,000	1
2	5,000	40
3	1,600	3
4	12,000	1
5	1,000	100
6	50	50
7	800	2
8	10,000	3
9	4,000	1
10	5,000	1

Qn. No. 16b) Table 1