



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR
FOURTH YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF COMMERCE**

**COURSE CODE: BCM 4148
COURSE TITLE: LOGISTICS STRATEGY**

DATE: 7TH DECEMBER, 2022

TIME: 1100-1300

INSTRUCTIONS TO CANDIDATE

*Answer Question **ONE** and any other **TWO***

QUESTION ONE

Toyota Toys RX is a national firm that manufactures a wide array of children's toys. It is considering making a strategic decision to reach a wide range of customers as well as improve its level of customer service. Such decisions include venturing into new markets, attracting new customers, and retaining existing ones, opening new warehouses so as to be more responsive to its customers' needs and shorten its lead times to the minimum possible.

Currently, it uses a public warehouse and customers have been complaining of high rates of damages being reported on delivery. The management therefore feels that such problems can be overcome by operating private warehouses and it also feels that transportation is not a core activity and that it should be conducted by an independent specialist firm.

Toys RX are therefore contemplating on constructing its own warehouses and new manufacturing plants in the Coastal and Central parts of the country where demand for the toys have been very high over the last few years.

Required: -

- a). With examples, advise the management of Toys RX on the various managerial factors to consider when deciding on the location of the new warehouses. **(6 marks)**
- b). How would Toys RX use a Logistics Information System to maximize the productivity of its new warehouses? **(9 marks)**
- c) What factors would be considered by Toys RX when deciding whether to construct own warehouses or hire? **(10 marks)**

QUESTION TWO

(a). Discuss how purchasing performance measurement may enhance the productivity of an organization. **(10 marks)**

(b). What are the contractual considerations to be made when sourcing from global markets? **(5 marks)**

QUESTION THREE

You have just been appointed as the logistics in-charge for an organization that deals in fast moving consumer goods. Explain to the board of directors why it is important to put in place a logistics strategy and how you will go about the formulation and adoption of a strategy.

(15 marks)

QUESTION FOUR

(a) The majority of goods handled internationally are transported by sea freight. The most notable development in the industry in the recent years has been the advent of containerization. Discuss advantages and disadvantages of containerization. **(8 marks)**

(b) What are the considerations when selecting a third party logistics service provider? **(7 marks)**

QUESTION FIVE

(a). Discuss considerations made during the choice of a warehouse location. **(7 marks)**

(b). Explain the measures that can be by procuring entities engaging in to mitigate against currency fluctuations. **(8 marks)**

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