

2903/302

2922/302

3304

OPERATIONS MANAGEMENT

July 2017

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN SUPPLY CHAIN MANAGEMENT

DIPLOMA IN PROJECT MANAGEMENT

MODULE III

BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE

EXAMINATIONS

STAGE III

OPERATIONS MANAGEMENT

3 hours

### INSTRUCTIONS TO CANDIDATES

*This paper consists of SEVEN questions.*

*Answer any FIVE questions in the answer booklet provided.*

*All questions carry equal marks.*

*Candidates should answer the questions in English.*

**This paper consists of 2 printed pages.**

**Candidates should check the question paper to ascertain that both pages are printed as indicated and that no questions are missing.**

1. (a) The management at Xeraz Limited is reluctant to adopt the process layout in its production. Highlight the reasons that may account for this reluctance. (10 marks)
- (b) Explain the short term strategies that may be adopted by a firm to increase its production capacity. (10 marks)
2. (a) Outline the factors that may determine the access of a new product in the market. (10 marks)
- (b) Explain the circumstances under which it may be advisable to establish a maintenance department in an organization. (10 marks)
3. (a) Highlight the features of batch production. (10 marks)
- (b) The globalization of business has posed various challenges to manufacturing firms. Outline these challenges. (10 marks)
4. (a) Single-storey buildings are preferred for the location of a factory in most organizations. Explain the reasons for this preference. (10 marks)
- (b) Explain the consequences of poor maintenance of plant and equipment on the growth and expansion of a firm. (10 marks)
5. (a) Most of the new products introduced into the market by Fatou Limited in the recent past have failed. Explain the reasons that may have led to this failure. (10 marks)
- (b) Outline the ways in which standardization may reduce the cost of production in a manufacturing firm. (10 marks)
6. (a) Highlight the benefits that may account to a firm that practices lean manufacturing. (8 marks)
- (b) Explain the functions of a purchasing department in an organization. (12 marks)
7. (a) Outline the factors that an organization should consider when selecting a supplier of its materials. (12 marks)
- (b) The process of transforming raw materials into finished goods is affected by external factors over which the management has no control. Explain five of these factors. (8 marks)

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