

KENYATTA UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017
SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF
COMMERCE
BMS 321: SUPPLIER QUALITY MANAGEMENT

DATE: Tuesday, 16th May 2017

TIME: 11.00a.m-1.00p.m

INSTRUCTIONS

- **Answer Questions ONE and any other TWO questions**

QUESTION ONE

Wanjiru Ltd is a Kenyan based firm dealing with manufacturing of cosmetics. The company exports to Asia as well as America and imports most of its raw materials from Europe and Africa. There are challenges that come with importing the raw materials from Africa and have greatly had an impact to the company's profitability. The management is grappling with the challenges of: Many suppliers delivering low quality goods, at times the firm experiences late deliveries, some raw materials are rejected for failure to meet quality standards and also some suppliers fail to supply without giving explanation. The management has appointed a team of experts to advise on the best way forward. The legal procedure in Africa promotes international trade and in great deal favours the company's business area of specialization compared to other continents. The company's products are consumed worldwide, with some significant sales done in India, China and Saudi Arabia

The company faces a few competitors in Europe and North America that export its market niche, and the company has an advantage over them because of TAFTA." Getting this advantage is not a complicated or timely process. "Getting the certificates is simple. We get our certificates from Australian Business Consulting and Solutions. They send a template that we fill in each time, email to them, before getting it back the following day," says Hod. "The good thing is that one certificate covers a whole shipment. Even if a shipment has ten different products you still only need one certificate."

- (i) From the case should wanjiru ltd have developed early supplier involvement?
Discuss the implications. (6marks)
- (ii) Outline the methods wanjiru ltd would use to carry out supplier assessment (10marks)
- (iii) If you were appointed as the manager of wanjiru ltd discuss the operational controls that would ensure suppliers conform to quality requirements (8marks)
- (iv) Advice wanjiru ltd management on the role of purchase specifications in managing quality. (6marks)

Question Two

Discuss the areas of interest a buyer would concentrate on when carrying out supplier visit (20marks)

Question Three

Discuss the process of supplier quality performance measurement (20marks)

Question Four

Discuss the eight dimensions of quality. (16marks)

Outline the principles of defining and implementing supplier metrics (4marks)