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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2017/2018 ACADEMIC YEAR FOUR**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 447**

**COURSE TITLE: PRODUCTION AND OPERATIONS MANAGEMENT**

**EXAMINATION DURATION: 3 HOURS**

**DATE: 10/08/18 TIME: 09.00-12.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has SIX (6) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other THREE (3) questions from the remaining FIVE (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

1. Demand does not play a major role in mass productions but capacity determines the success of mass production. Explain. **[3 marks]**
2. Briefly explain four outcomes of stringest quality control quality control mechanisms. **[6 marks]**
3. Name and explain any two main types of inventory management systems. **[4 marks]**
4. Outline three reasons why a supplies officer would find it necessary to standardize materials used in an organization **[3 marks]**
5. Discuss factors to consider when fixing maximum inventory control level **[9 marks]**

**QUESTION TWO**

1. Describe the objectives of stock control in a business organization. **[9 marks]**
2. (i) Explain the term; Economic order quality. **[2 marks]**
3. (ii) A company has annual demand for material P of 25,000 tons per annum. The cost per ton is sh. 2,000 and the stock holding is 25% per annum of the stock value. Delivery cost per batch is sh. 400. Calculate the economic order quantity. **[4 marks]**

**QUESTION THREE**

1. Explain the term; material control **[2 marks]**
2. The purchasing policy of any business organization should be helpful to achieve certain organizational objectives. Briefly explain four such objectives. **[6 marks]**
3. Write short notes on the following:
4. Invoice **[2 marks]**
5. Material requisition note **[2 marks]**
6. Material transfer note **[3 marks]**

**QUESTION FOUR**

1. Critically analyze the importance of quality management standards in the manufacturing organizations. **[8 marks]**
2. Explain the various quality management principles. **[7 marks]**

**QUESTION FIVE**

1. Differentiate the following terms  **[6 marks]**
2. Production management and operations management
3. Independent demand inventory and dependent demand inventory
4. Production planning and production control
5. Explain the advantages of mass production system  **[5 marks]**
6. Discuss four costs of quality in production giving examples each **[4 marks]**

**QUESTION SIX**

1. Explain the objectives of production management **[4 marks]**
2. Discuss five causes of wastage in material production and handling  **[5 marks]**
3. Describe the requirements of an effective production planning and control **[6 marks]**