



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT

EXAMINATION PAPER

COURSE CODE : CPS 404

COURSE TITLE : SUPPLY CHAIN RISK MANAGEMENT

SPECIAL REQUIREMENTS : NO SPECIAL REQUIREMENTS

DURATION : 3 Hours

LEVEL : 4:1

DATE : **18 FEB 2022**

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. **QUESTION ONE IS COMPULSORY**
3. Answer **QUESTION ONE AND ANY THREE (3)** questions.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in

Question 1

FORTUNE 500 FOOD MANUFACTURER DEVELOPS SUPPLY CHAIN RISK MANAGEMENT CAPABILITIES

Companies across the globe face a major challenge of managing supply risks arising from various factors such as single supplier sourcing, supplier capacity constraints, supply quality issues and long lead time for alternative supplier development, and so on. To combat these risks, many organizations have developed Supply Chain Risk Management (SCRM) strategies with the primary objective of reducing supply vulnerability and ensuring business continuity. **Client:**

The client is a multinational food manufacturing company with revenue exceeding \$10bn. It specializes in convenience food products with facilities in more than 15 countries across the globe.

Challenges:

The client recognized that there was no proper mechanism to identify any threat to supply continuity. The gravity of risk was realized when one of the single-source ingredient suppliers failed to clear the quality audit, which led to significant last gasp measures to ensure supply continuity through an alternative supplier approval process. This affected the products' supply to the market.

Adapted: <https://www.gep.com/case-studies/fmcg-major-transforms-supply-chain-risk-management>

- (a) As the Logistics Consultant to this client, establish a Supply Risk Assessment Mechanism to identify supply risks and to proactively work towards mitigating them.
(10 Marks)
- (b) What are the advantages of engaging in effective Supply Chain Risk Management?
(5 Marks)
- (c) Advise the client on measures needed to avoid this scenario from recurring in future.
(10 Marks)

Question 2

Describe the **three (3)** Logistics drivers that play a major role in Supply Chain Risk Management. Give relevant examples with an organisation of your choice **(25 Marks)**

Question 3

Explain the role played by Supply Chain Risk Management in Global Supply Chains.

(25 Marks)

Question 4

Explain the following terms and how they help in managing the supply chain;

- a) Internal Supply Chain Risks **(5 Marks)**
- b) External Supply Chain Risks **(5 Marks)**
- c) PPRR Risk Management Model **(5 Marks)**
- d) Route Optimisation **(5 Marks)**
- e) Supply Chain Network **(5 Marks)**

Question 5

Explain the **four (4)** major processes of Supply Chain Risk Management. **(25 Marks)**

END

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