



**ZIMBABWE EZEKIEL GUTI UNIVERSITY**

**FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING**

**DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT**

**EXAMINATION PAPER**

**COURSE CODE** : CPS 408

**COURSE TITLE** : Material Planning and Production Control 2

**SPECIAL REQUIREMENTS** : NO SPECIAL REQUIREMENTS

**DURATION** : 3 Hours

**LEVEL** : 4:2

**DATE** : 11 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 brackets [ ]
6. Use of practical examples where necessary is encouraged

### Question 1

Betty owns a company that produces personalised t-shirts and hats. Her business started as a very small enterprise but after nearly two years Betty was creating and shipping up to 50 garments per day. Whilst Betty was making a profit, she knew that when she looked at her turnover she should really be earning a higher return. The stock of blank garments ready for customisation and personalisation in Betty's small warehouse comprised of various sizes, colours and styles of t-shirts and hats made from a variety of different materials. Some of those garments had in fact not moved from the racking since the business was started and Betty bought her first amount of stock. Whilst the warehouse had lots of garments that did not appear to be moving through the supply chain there were also instances when Betty kept her customers waiting because she did not have the correct colour or sized garment available. In such circumstances Betty had to order the garment in response to the sales order and advise the customer that there would be a slight delay. Most customers understood but sometimes after Betty had placed the order for the required garments and advised the customer of the extended lead time, she would get a call the following day cancelling the order. Then she amassed more stock that had no direct demand. Betty's son, Joel, who had not been working for his mother for long quickly worked out that for Betty to earn a larger profit she had to be more efficient, order only what was needed and have garments in stock to meet customers' demand. Joel spoke to his mum about introducing a basic Materials Requirement Planning (MRP) system to help her manage the manufacturing process. Betty was no idea with such things but trusted Joel and suggested he investigated it further.

Source: Jarvis-Grove, 2020)

As Procurement manager Joel approached you to help with further investigations, advise him on the way forward. (25 Marks)

### Question 2

- a) Identify the major requirements for material planning and production control citing the examples and examples of an organisation of your choice. (10 Marks)
- b) As a procurement manager, explain how you would decide on the ultimate system of inventory management. (15 Marks)

### **Question 3**

Explain the concept of Enterprise Resources Planning (ERP), basing on the organisation of your choice showing how ERP helps. **(25 Marks)**

### **Question 4**

a) Explain types of forecasting in material planning and production control. **(10 Marks)**

b) Discuss certain economic forecasting methods, advise the best method to use. **(15 Marks)**

### **Question 5**

Inventory control is a planned approach of determining what to order, when to order and how much to order and how much to stock so that costs associated with buying and storing are optimal without interrupting production and sales. As procurement specialist, examine the techniques of Inventory Control System. **(25 Marks)**

**END**