



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 :
DURATION : 3 Hours
LEVEL : 4.1
DATE : MARCH 2021 22 MAR 2021

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 []

Question 1

Managing Supply Chain Risk and Resiliency to Support Business Continuity.

Global supply chains can suddenly present you with unexpected challenges. They are more unpredictable than local or regional supply chains because there are so many more players involved. And because they are exposed to natural as well as man-made events happening in different parts of the globe. Your organisation (Fantastic Corporation) designs and makes a fantastic new home entertainment centre that performs to demanding specifications and it delivers impressive results. While you are focused on supporting Fantastic Corp's expansion into Europe (or just trying to keep up with demand in Zimbabwe), something unexpected happens on the other side of the world. An earthquake and tsunami strike suddenly, and production of a critical component is halted because of damage done to the factory of one of your key suppliers in Japan.

The Fukushima Factory is now out of commission. It is expected to take up to eight months to repair damage and resume production. You have some inventory of this critical part already in your supply chain at various locations. You need to make best use of the inventory you have available, and find a new supplier as quickly as you can. Otherwise a grim scenario will play out for your company. For lack of this part, production will come to a halt. For lack of production, stores will run out of inventory. And for lack of inventory, customers will be turned away. Sales will plummet. If Fantastic Corporation can't meet customer demand, then a competitor will. You need to find a new supplier for this critical component — the Fantastic CPU. When you do find a new supplier, you need to reconfigure your supply chain to incorporate that new supplier and minimize disruptions to the product assembly operation in the South Africa factory. As much as possible, you need to avoid reductions in product amounts delivered to stores selling the company's home entertainment centre in southern Africa and the United States of America. That is the only way to keep sales up, and keep competitors from taking away customers that would otherwise buy your product.

- (a) Outline the risks associated with looking for a new Supplier considering your organisation is operating a going concern which should not be disrupted. **(5 Marks)**
- (b) Set up a step by step process of how you are going to manage these risks. **(10 marks)**

(c) Advise your firm on what needs to be done in order to reduce the Supply Chain risks in the Global environment they are operating in. **(10 Marks)**

Question 2

Outline and briefly explain the major steps taken by a procurement executive in carrying out a Supply Chain Risk Assessment. **(25 Marks)**

Question 3

Explain the **six (6)** drivers of Supply Chain Management outlining the risks associated with each driver in purchasing and supply management. **(25 Marks)**

Question 4

a) Describe the process of designing a Supply Chain Network. **(15 Marks)**

b) Explain why it is important to mitigate risk in the whole process. **(10 Marks)**

Question 5

Discuss the impact of the Corona Virus pandemic on Global Supply Chains and competitive advantage of firms. Give relevant examples to explain your answer. **(25 Marks)**

END