



# **GRE TSA UNIVERSITY - THIKA**

## **UNIVERSITY EXAMINATIONS JANUARY - APRIL 2025 SEMESTER**

### **BACHELOR OF COMMERCE**

**COURSE CODE: BCPS 300**

**COURSE TITLE: RISK MANAGEMENT IN SUPPLY CHAIN**

**DATE: APRIL 2025**

**TIME: 2 HOURS**

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#### **INSTRUCTIONS TO CANDIDATES**

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **TWO** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

**CAUTION:** *All exam rooms are under CCTV surveillance during the examination period.*

## **SECTION A: COMPULSORY**

### **Question One**

- a) Ranje Logistics Limited is a logistics company that has been operating in Kenya for about five (5) years since its inception and they have just began to expand their operations to countries in the African region. One of their greatest pride is their commitment to efficiency but their risk exposure has been great. Many strategies have been invested to resolve these issues, some working for a short time but most end up in failure. As an expert, you recommend to management the need for a risk policy. Describe the importance of a risk policy to Ranje Logistics. **[8 marks]**
- b) Scholars have stated that there is no single method that can help a company to comprehensively manage risk. Explain this giving the various strategies that supply chain managers use to manage risk. **[8 marks]**
- c) The primary concern of the purchasing department is to successfully identify and secure the services of good suppliers. Discuss any for factors necessary in supplier selection decision. **[8 marks]**
- d) Using examples, elaborate on the following term: Hazard; Risk mitigation and Speculative risk **[6 marks]**

## **SECTION B: ANSWER ANY TWO QUESTIONS**

### **Question Two**

- a) One of the integral factors in the success of supply chain in firms today is in their ability to establishing long-term relationships with capable suppliers and working closely with them over time. Discuss the various ways in which this relationship can be expressed **[10 marks]**
- b) Pure risk is a risk in which there is only a possibility of loss or no loss. Describe the various categories of pure risk. **[10 marks]**

### **Question three**

- a) Risks may arise from sources both within the organization and external to it. Describe the internal sources of risk. **[10 marks]**
- b) Early supplier involvement (ESI) is one the approaches used by supply chain managers to ensure the success of the processes. Explain ESI and its significance to a firm of your choice. **[10 marks]**

### **Question Four**

- a) Although the practice of insurance has changed over time the initial concept of finding safety in numbers remains intact guided by certain principles. Explain these principles of insurance **[10 marks]**
- b) Supplier appraisal is the assessment of the potential suppliers to be used in a firm. This is conducted through a number of techniques. Describe these techniques of supplier appraisal. **[10 marks]**

**Question five**

- a) Discuss the importance of contract monitoring in management of risks for developing good supplier relationship **[10 marks]**
- b) There are a number of emerging issues in the world today ranging from the ever changing technologies, globalization, terrorism to supply channel risks. Describe the impact of these emerging issues to risk management in the supply chain. **[10 marks]**