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**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2017/2018**

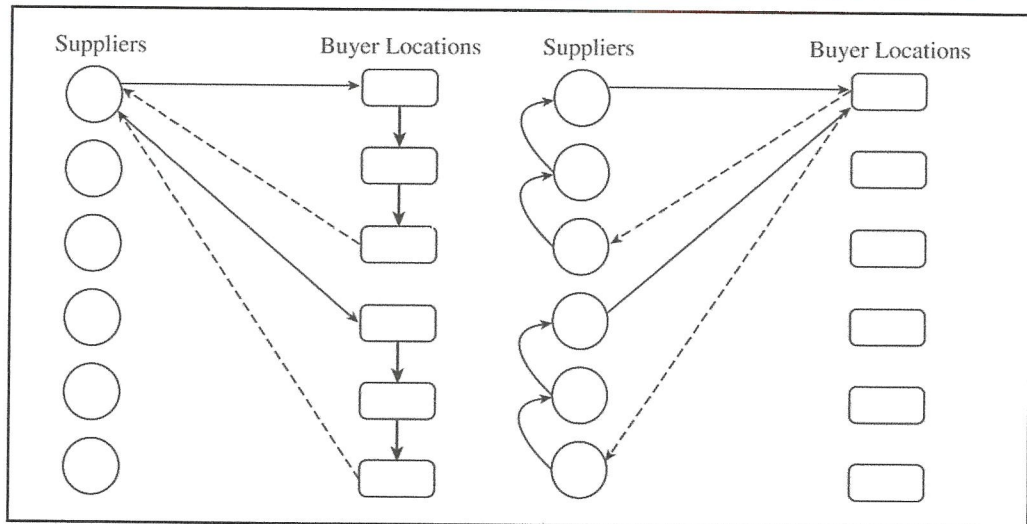
COURSE NAME : SUPPLY CHAIN MANAGEMENT  
COURSE CODE : BPB 32303  
PROGRAMME CODE : BPB  
EXAMINATION DATE : JUNE / JULY 2018  
DURATION : 2 HOURS 30 MINUTES  
INSTRUCTION : ANSWER ALL QUESTIONS

**TERBUKA**

THIS QUESTION PAPER CONSISTS OF **THREE (3)** PAGES

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- Q1 (a)** The design of a transportation network affects the performance of a supply chain by establishing within which operational decisions regarding scheduling and the routing are made.



**Figure 3: Direct Shipping with Milk Runs**

As shown in **Figure 3**, Direct Shipping with Milk Runs is one of a variety of transportation networks.

- (i) Outline the system works Direct Shipping with Milk Runs in transportation networks. (5 marks)
  - (ii) Determine **TWO (2)** benefits of using Direct Shipping with Milk Runs against others transportation network. (4 marks)
  - (iii) Determine **TWO (2)** disadvantages of the system. (4 marks)
- (b) 7 Eleven has eight stores in Batu Pahat district supplied from four supply sources. Trucks have a capacity of 40,000 units and cost RM1,000 per delivery. The cost of holding one unit in inventory at retail for a year is RM0.20. Each delivery is considered Full Truck Load (TL) and using 'Direct Shipment Network'. If annual sales for each product at each retail store are 960,000 units;

Calculate:

- (i) Number of deliveries per year from each supplier to each store. (4 marks)

- (ii) Annual trucking cost from one source to eight stores for direct network.  
(4 marks)
- (iii) Annual trucking cost from all sources to all stores for direct network.  
(4 marks)

**Q2** Sourcing decisions is to enable managers to consider all the trade-offs involved to maximize value extracted from every stage of a sourcing relationship.

- (a) Discuss **FIVE (5)** factors other than quoted price must be considered when making sourcing decisions.  
(10 marks)
- (b) In a short essay, demonstrate how **THREE (3)** benefits of effective sourcing decision and give an example of each trait.  
(15 marks)

**Q3** (a) Define bullwhip effect and how does it relate to lack of coordination in the supply chain.  
(10 marks)

- (b) An auto manufacturer sources both office supplies and subsystems such as seats. Propose sourcing strategy for the two types of products to the top management.  
(15 marks)

**Q4** (a) Explain the concepts of sustainability supply chains.  
(5 marks)

- (b) Discuss **FOUR (4)** opportunities for improved sustainability in various supply chain drivers.  
(20 marks)

**-END OF QUESTIONS-**