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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2021/2022**

COURSE NAME : SUPPLY CHAIN MANAGEMENT

COURSE CODE : BPB 32303

PROGRAMMECODE : BPA

EXAMINATION DATE : JULY 2022

DURATION : 3 HOURS

INSTRUCTION

1. ANSWER ALL QUESTIONS

2. THIS FINAL EXAMINATION IS CONDUCTED  
VIA **CLOSED BOOK**

3. STUDENTS ARE **PROHIBITED** TO CONSULT  
THEIR OWN MATERIAL OR ANY EXTERNAL  
RESOURCES DURING THE EXAMINATION  
CONDUCTED VIA CLOSED BOOK

THIS QUESTION PAPER CONSISTS OF **FOUR (4)** PAGES

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TERBUKA

- Q1** (a) Unilever Malaysia is planning to do trade promotions in March to increase the sales of its products to retailers in anticipation of the seasonal Hari Raya shopping event. This strategy is quite common in the consumer-packaged goods industry, where manufacturers promote different products at different times of the year. As a Sales Executive of Unilever Malaysia, you are required to present to the management the impact of this strategy on the cycle inventory of your company's supply chain, if it were to go ahead with the plan.

Examine **THREE (3)** impacts of trade promotions on the company's cycle inventory.  
(12 marks)

- (b) The Tarakucha Company has an assembly plant in Pasir Gudang and its parts plant in Penang. Parts are transported from Penang to Pasir Gudang using trucks. Each shipment costs RM1000. The Pasir Gudang plant assembles and sells 300 finished products each day and operates 5 days a week and 50 weeks a year. Part #456 costs RM50 and Tarakucha Company incurs a holding cost of 20 percent per year.

Calculate:

- (i) The number of part #456 should Tarakucha Company put in each shipment.  
(5 marks)
- (ii) The cycle inventory of part #456 at Tarakucha Company.  
(3 marks)

- Q2** (a) Discuss the impact of **TWO (2)** types of ordering policies on safety inventory of retailers such as Lotus's and AEON Big.  
(10 marks)
- (b) Examine **TWO (2)** factors why a supermarket like Lotus's with large stores can provide a higher level of product availability with lower inventories than a convenience store chain, like Family Mart, with many small stores.  
(10 marks)

Q3

Table Q3: Company Information

JAJA Jewellery	RHZ Home furniture
Type of business: Online	Type of business: Brick to Mortar
Supply chain Strategy: Responsive	Supply Chain Strategy: Efficient
Type of products: Jewellery	Type of products: Home and Office Furniture
Location of Shipping: Malaysia to Australia	Location of Shipping: Malaysia to China

- (a) Propose the most transportation mode is appropriate for JAJA Jewellery and RHZ Home furniture, based on the information in **Table Q3**. (12 marks)
- (b) Examine **TWO (2)** types of risk to consider by JAJA Jewellery when transporting a shipment between Malaysia to Australia. (8 marks)

Q4

Apple has an extensive network of third-party suppliers in its supply chain. According to recent research, Apple has 785 suppliers in 31 countries worldwide, 349 of which are based in China.

According to Apple’s “2015 Supplier List”, 97% of its supply chain (including procurement, manufacture and assembly) is accounted for by its top 200 suppliers. This would imply that 585 of Apple’s suppliers account for the remaining 3% of its supply chain, providing it with a significant degree of latent capacity.

Apple has a number of exclusive long-term agreements with its key suppliers and uses prepayments to negotiate favourable pricing terms, secure strategic raw materials and guarantee high volumes of production.

Apple has also diversified its supply chain to include new manufacturing partners in China and Taiwan. It has also secured multiple suppliers for key components relating to new products (such as the Apple Watch).

In addition to diversification, Apple invest in customised manufacturing equipment and automated assembly and milling technology. It has also recently announced environmental programs with its Chinese manufacturing partners to offset carbon emissions and utilise more clean energy.

(Sources: *Gartner, 2015*)

- (a) Evaluate **TWO (2)** ways that Apple Inc. could benefit from sourcing decisions discussed in the case **Q4**. (10 marks)



- (b) Examine **TWO (2)** risks that Apple Inc. may face due to sourcing decision to the third party.

(10 marks)

- Q5** (a) Sustainability has presented more of a challenge when it requires efforts that do not provide obvious return on investment for a company. In fact, customers themselves have not always backed up their words about the importance of sustainability with a willingness to pay more for sustainable products or make more of an effort to support sustainability.

Elaborate **THREE (3)** categories of the factors driving an increased focus on supply chain sustainability using appropriate example.

(12 marks)

- (b) Discuss **TWO (2)** drivers of opportunities for improving supply chain sustainability by including the social and environmental pillars using appropriate example.

(8 marks)

**-END OF QUESTIONS-**

