



The Chartered  
Institute of Logistics  
and Transport

## INTERNATIONAL DIPLOMA IN LOGISTICS AND TRANSPORT

### SUPPLY CHAIN MANAGEMENT DIP02

### NOVEMBER 2025 EXAMINATION

#### Note to Candidates

Candidates are advised to spend NOT more than 45 minutes on each question

#### Instructions to Candidates

- Duration of examination **3 hours**
- **Answer ALL Questions in Section A and any THREE questions in Section B**
- Questions may be answered in any order.
- Allocation of marks is indicated along each question.
- Credit will be given for citing relevant examples.
- Write legibly.

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#### SECTION A

(25 marks)

#### QUESTION 1 (Compulsory)

#### Case Study – Delta Beverages Zimbabwe

Delta Beverages, Zimbabwe's largest beverage manufacturer and a former subsidiary of SABMiller, operates manufacturing plants in Harare, Bulawayo, and Chitungwiza. The company produces Castle Lager, Chibuku Super, Coca-Cola soft drinks and Maheu products. In recent years, Delta faced major supply chain challenges, including **stockouts of key raw materials** like bottle crowns, sugar and CO<sub>2</sub> gas due to **import delays at Beitbridge Border Post, foreign currency shortages** and **unreliable local suppliers**. These challenges disrupted production and led to late deliveries to retailers nationwide. To stabilise production, Delta implemented a **Vendor Managed Inventory (VMI)** system with selected regional suppliers. Under VMI, **the supplier monitors Delta's inventory levels and automatically replenishes stock** based on agreed minimum and maximum levels. Some suppliers now **hold buffer stock in bonded warehouses in Zimbabwe** to improve responsiveness.

Source: Delta Corporation. (2021) *Supply Chain Overview*. Available at:

<https://www.delta.co.zw> (Accessed: 18 January 2025).

#### Using the above case study:

- a) Explain the concept of Vendor Managed Inventory (VMI) and how it applies to Delta Beverages. (8 marks)

- b) Analyse four advantages and four limitations of implementing VMI for Delta Beverages. **(12 marks)**
- c) Recommend three supply chain performance indicators Delta could use to measure VMI effectiveness. **(5 marks)**

## SECTION B

Answer any **THREE** questions.

### QUESTION 2 **(25 marks)**

- (a) Complete this table to show the comparison between lean and agile supply chains. **(14 marks)**

Characteristics	Lean	Agile
Typical products		
Demand in market		
Product variety		
Product life cycle		
Customer drivers		
Profit margins		
Dominant costs		

*(Adapted from Mason-Jones, et al 1999)*

- (b) Suggest ways that Starlink, a global supply chain organisation, can address the challenges in implementing JIT practices in Zimbabwe. **(11 marks)**

### QUESTION 3

Define how Small and Medium Enterprises (SMEs) in Zimbabwe can leverage between supply chain planning and customer service levels in growing their businesses to become profitable. **(25 marks)**

### QUESTION 4

Choose a product/service of an organisation you are familiar with and explain the supply chain costs associated with the process involved in movement/delivery from the upstream to the downstream, showing the split between fixed, variable and overheads. **(25 marks)**

### QUESTION 5

- (a) Explain the role of Information and Communication Technology (ICT) in supply chain integration. **(8 marks)**

(b) Discuss how Enterprise Resource Planning (ERP) systems improve supply chain visibility and decision-making. **(9 marks)**

(c) Identify two challenges faced by Zimbabwean companies when adopting supply chain technology. **(8 marks)**

### **QUESTION 6**

a) With the aid of a clearly labelled diagram, illustrate a simple supply chain showing upstream and downstream activities. **(12 marks)**

(b) Explain the role of material flow, information flow, and financial flow in the supply chain. **(7 marks)**

(c) Discuss three challenges associated with poor flow integration in supply chains. **(6 marks)**