



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE

BMS 423: SUPPLIER RELATIONSHIP MANAGEMENT

DATE: 2/12/2019

TIME: 8.30-10.30 AM

INSTRUCTIONS:

Answer Question ONE and any other TWO Questions.

QUESTION ONE: Case Study

TELESPECIALIST LTD (TL)

Telespecialist Ltd (TL) is engaged in the manufacture and supply of fixed and mobile communications networks. It is based in the UK and has two manufacturing plants in Birmingham and Milton Keynes. Over the past two years, there have been financial pressures due to weaker markets, leading to limited inflow of capital. The Chief Executive Officer has addressed this with a strategy to deal with improving the profitability and performance of the company.

You are the Procurement Manager and have been tasked to:

- In five points, explain how supplier relationships management can be used as a competitive tool (10 marks)
- In five points, discuss how supplier relationships can be improved (10 marks)
- Suggest the best approach of supplier relationship management to Telespecialist Ltd (TL) and justify your choice of the approach with five well explained points (10 marks)

QUESTION TWO (20 MARKS)

- Explain five reasons for terminating a relationship with the supplier (10 marks)
- Draw and discuss a stepladder of external and internal contractual relationships according to Cox (10 marks)

QUESTION THREE (20 MARKS)

- a) In five points, explain the differences between transactional and relationship purchasing (10 marks)
- b) Within the relationship spectrum, discuss any five types of buyer – supplier relationships (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain five advantages of using ICT to manage supplier relationships (10 marks)
- b) Explain five features of effective buyer- supplier relationship management (10 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss five evaluation criterion for identifying a supplier for partnership relationship (10 marks)
- b) Explain five values of supplier relationship management to the performance of procurement function (10 marks)