



# MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND YEAR SECOND SEMESTER EXAMINATION FOR  
DIPLOMA IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

**BBA040: GLOBAL PROCUREMENT**

**DATE: 21/10/2020**

**TIME: 8:30 – 10:30 AM**

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## INSTRUCTIONS:

**Answer Question One and Any Other Two Questions.**

### QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Explain FIVE circumstances under which reciprocity is not desirable in international procurement. (10 marks)
- b) Discuss FIVE roles of a clearing and forwarding agent to an importer. (10 marks)
- c) Explain FIVE advantages of incoterms in international procurement. (10 marks)

### QUESTION TWO (20 MARKS)

- a) Discuss FIVE aspects that should be addressed before ordering of goods in international trade. (10 marks)
- b) Analyze FIVE roles of the Kenyan Government in the promotion of international procurement. (10 marks)

### QUESTION THREE (20 MARKS)

- a) You have been tasked to Design a risk register for international procurement for your organization. Highlight FIVE technology related risks in such a register. (10 marks)
- b) State five international organizations which facilitate import and export trade. (10 marks)

**QUESTION FOUR (20 MARKS)**

- a) Some organizations still do not use the internet as a way of identifying potential suppliers in international procurement. Explain FIVE reasons for such a trend. (10 marks)
- b) Explain five methods of managing currency fluctuations that a procurement officer may adopt. (10 marks)

**QUESTION FIVE (20 MARKS)**

- a) State FIVE challenges that a local firm may encounter when venturing into global sourcing. (10 marks)
- b) Explain FIVE factors that should be considered when evaluating a clearing and forwarding firm to engage. (10 marks)