



# MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND YEAR FIRST SEMESTER EXAMINATION FOR

DIPLOMA IN PROCUREMENT DEPARTMENT AND BUSINESS ADMINISTRATION

2903/101: SUPPLY CHAIN MANAGEMENT AND PURCHASING PRINCIPLES

DATE: 23/3/2020

TIME: 11.30-2.30 PM

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**INSTRUCTIONS: Attempt any five questions**

1. a) Explain the importance of determining the price of materials in the market. (10 marks)  
b) Highlight **five** sources from which a buyer may obtain information about potential buyers. (10 marks)
2. a) Identify documents used in receipt and inspection process of goods in an organization (10 marks)  
b) Highlight different types of sourcing of materials in an organization. (10 marks)
3. a) Explain **five** factors that a supply chain officer may consider in determining lead time for an organizations requirement. (10 marks)  
b) Outline the types of information contained in a delivery note. (10 marks)
4. a) Explain the importance of inspecting incoming goods in an organization. (10 marks)  
b) Describe documents involved in the ordering procedure of materials in an organization (10 marks)
5. a) Explain methods of materials specification as stipulated in quality and quantity determination. (10 marks)  
b) Explain the factors in determining the right time to buy materials (10 marks)
6. a) Highlight the factors considered when determining the sources of supply. (10 marks)  
b) Explain the importance of following the ordering procedure. (10 marks)
7. a) Explain the options of treating rejected goods as stipulated in receiving and inspection of goods. (10 marks)

- b) Identify documents used in the process of paying for purchased goods in an organisation (10 marks)