MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SECOND SEMESTER EXAMINATION FOR

DIPLOMA IN SUPPLY CHAIN MANAGEMENT

2903/201 PURCHASING MANAGEMENT

DATE:23/3/2020   **TIME: 8.30-11.30 AM**

INSTRUCTIONS:

ANSWER ANY FIVE QUESTIONS

1. a) Explain the challenges that the Kenya Bureau of Standards (KEBS)may face in controlling the quality of materials in the market.   (10 marks)

    b) Highlight **five** ways in which the purchasing function may contribute to the attainment of the cost minimization objective of an enterprise.   (10 marks)

2. a) Explain **five** advantages that an organization derives from enhancing integrity in its procurement process.   (10 marks)

    b) Tenny Company Limited has decided to use sampling method instead of the 100% method of inspection for the material received from suppliers. Explain five reasons that led to this decision.   (10 marks)

3. a) Highlight the capabilities on which suppliers are evaluated by a purchasing organization.   (10 marks)

    b) Explain the areas where quality assurance Programmes may be used to improve quality of products an organization obtains from its suppliers.   (10 marks)

4. a) Highlight the factors that may influence the purchasing structure used in purchasing operations in an organization.   (10 marks)

    b) Explain why some companies are reluctant to decentralize their supply chain management function.   (10 marks)

5. a) Highlight **five** methods that a buyer may use to specify his organization's requirements to the supplier. (10 marks)

    b) The management of Gesheni Manufacturing firm has decided to develop one of its suppliers. Explain **five** ways in which the firm may achieve this objective. (10 marks)

6. a) As a purchasing Manager, highlight **five** guidelines which should be followed to ensure fairness in a competitive tendering process. (10 marks)

    b) Explain **five** pricing strategies that a supplier may adopt for his materials. (10 marks)

7. a) Highlight **five** features which distinguish the adversarial negotiation approach from the partnership negotiation approach in procurement. (10 marks)

    b) Highlight **five** ways in which the purchasing function may be treated as a non-core function. (10 marks)