



MACHAKOS UNIVERSITY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

**CRAFT CERTIFICATE IN PROCUREMENT DEPARTMENT AND BUSINESS
ADMINISTRATION**

1903/202: SUPPLY CHAIN MANAGEMENT AND PURCHASING PRINCIPLES

JAN-MAY 2021 : END OF SEMESTER EXAM. MODULE TWO

TIME ALLOWED: THREE HOURS

SECTION A

Answer all the questions in this section (32marks)

1. Outline **three** activities that are carried out in external supply chain operations. (3 marks)
2. State **four** factors that a purchasing Officer may consider when determining the quality of materials (4 marks)
3. Outline **three** methods of pricing materials in the market. (3marks)
4. State **three** reasons that influence a receiving Officer to reject goods delivered by a supplier. (3marks)
4. List **three** types of orders that may be used in the procurement process. (3marks)
5. State **four** factors that cause longer lead time in the procurement process (3marks)
6. Outline the objectives of the purchasing functions in an organization. (3marks)
7. Outline four circumstances that may favour the use of local suppliers in the purchasing process. (4marks)
8. Outline three features of a good specification. (3marks)
9. Explain the factors in determining the right time to buy materials. (3marks)
10. Distinguish lead time from delivery time. (4marks)

SECTION B (68 MARKS)

Answer any four questions from this section.

11. a) Explain four methods of materials specifications. (8marks)
- b) Highlight six factors that influence the prices of materials in the market. (9marks)
12. a) Identify six sources of information about the potential suppliers. 9marks)
- b) Describe documents involved in the ordering/purchasing procedure. (8marks)
13. a) Purchasing Manager was creating awareness to other departments about specification of materials. He emphasized on the purpose of specification. Explain. (8marks)
- b) Highlight the factors to consider when determining the sources of supply. (9marks)
14. a) Explain four advantages to an organization of having efficient materials receiving system. (8marks)
- b) Teki Enterprise has decided to decentralize its purchasing function. Explain six reasons that may have influenced the firm to make the decision. (9marks)
15. a) Explain four measures that an organization may institute to ensure timely delivery of goods. (8marks)
- b) Highlight six factors that an Inspection and Acceptance officer may consider when selecting a method to use in inspecting delivered goods. (9marks)