

**TECHNICAL UNIVERSITY OF MOMBASA.**

**FACULTY OF BUSINESS STUDIES.**

**DEPARTMENT OF MANAGEMENT SCIENCE.**

**DIPLOMA IN ACCOUNTANCY, DIPLOMA IN BUSINESS ADMINISTRATION AND  
DIPLOMA IN BUSINESS MANAGEMENT.**

**BPC 2103: PURCHASING MANAGEMENT.**

**TIME: 2HRS.**

**APRIL 2016 SERIES.**

**INSTRUCTIONS:**

**Answer question ONE and any other TWO questions.**

**BPC 2103: PURCHASING MANAGEMENT. B.**

**QUESTION ONE**

Montana Hospital is a very fast growing chain of medical provider solutions in Mombasa. Evaluate its strategy with regard to the following areas:

- a) The need to adopt e-procurement. (10mks)
- b) The major ways of evaluating the supplier. (10mks)

- c) The need to undertake routine stocktaking. (10mks)

#### **QUESTION TWO**

- a) Explain the objectives of purchase function. (10mks)
- b) Evaluate the role of other departments that link up with purchasing department. (10mks)

#### **QUESTION THREE**

- a) Clearly illustrate the purchase cycle and explain each step of the cycle. (10mks)
- b) Explain the merits of large volume purchase decisions. (10mks)

#### **QUESTION FOUR**

- a) Identify and explain any five contents of purchase contract. (10mks)
- b) Evaluate the benefits of purchase specifications. (10mks)

#### **QUESTION FIVE**

- a) Explain the significance of inventory management to a firm. (10mks)
- b) Identify and explain any five ways of determining levels of a price of a product. (10mks)