



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN PROCUREMENT AND MATERIALS MANAGEMENT

BPC 2205: INTERNATIONAL PURCHASING

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

This paper consists of Two printed pages.

QUESTION 1 (Compulsory)

The decision to buy overseas does require a strategic vision to be adopted within any company to ensure products are bought according to the business plans and they reflect its production, assembly and customer needs. In highlight of this statement;

- a) Discuss the advantages and disadvantages of buying overseas. **(10 marks)**
- b) Discuss the factors that have led to nations trading with one another. **(10 marks)**
- c) Explain the different global trade intermediaries in international markets. **(10 marks)**

QUESTION 2

- a) What are Incoterms 2000? Discuss **FIVE** various incoterms used in international purchasing. **(10 marks)**
- b) In international purchasing, most countries have chambers of commerce in their industrial cities. One of its function is it acts as a spokesman for businesses and professional communities. Discuss the reasons for the implementation of the international chamber of commerce. **(10 marks)**

QUESTION 3

- a) Discuss the various methods of evaluating potential suppliers. **(10 marks)**
- b) Describe the principal obligations of a seller under the exworks (EXW). **(10 marks)**

QUESTION 4

- a) International purchasing involves the use of different payment forms. Discuss the various forms. **(10 marks)**
- b) Products for international purchasing will broadly fall into two divisions of industrial and consumer products. Explain briefly the features which are characteristic to industrial products. **(10 marks)**

QUESTION 5

- a) The main aim of International Organization for Standardization is to facilitate trade, exchange and technology transfer. Explain briefly how those aims are being achieved i.e outlining any benefits of International Standardization. **(10 marks)**
- b) Define commodity markets. **(2 marks)**
- c) Explain the differences between National and International trade. **(8 marks)**