



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN BUSINESS ADMINISTRATION
DIPLOMA IN BUSINESS MANAGEMENT
DIPLOMA IN ACCOUNTANCY

BPC 2103: PURCHASING MANAGEMENT

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)

- a) Define the following term:
 - i) Purchasing **(2 marks)**
 - ii) Procurement **(2 marks)**
 - iii) Material management. **(2 marks)**
- b) Explain the role of purchasing management in an organization. **(10 marks)**
- c) List the benefits of using E-purchasing method. **(10 marks)**
- d) Differentiate between specification and identification. **(4 marks)**

QUESTION 2

- a) Describe the relationship between purchasing department and the following department:
 - i) Purchasing and design/engineering department **(5 marks)**
 - ii) Purchase and marketing department. **(5 marks)**
 - iii) Purchasing and production department. **(5 marks)**
- b) List the importance of purchasing management department. **(5 marks)**

QUESTION 3

- a) Explain the advantages of centralized organization structure. **(10 marks)**
- b) Describe briefly the purchasing cycle. **(10 marks)**

QUESTION 4

- a) Explain **THREE** systems that can be used in devising location systems. **(9 marks)**
- b) Explain the roles of a warehouse. **(11 marks)**

QUESTION 5

- a) State the various types of specifications. **(8 marks)**
- b) Define the term outsourcing and explain the benefits of outsourcing for an organization. **(12 marks)**