

**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. A.**

**QUESTION ONE**

Allan Ltd is a large and established firm that deals with technology solutions.

- a) Explain the need to local purchase in order to achieve effectiveness. (10mks)

- b) Identify and explain the sources of supplier information. (10mks)
- c) Explain the importance of purchase contract. (10mks)

#### **QUESTION TWO**

- a) Evaluate any five reasons for e-procurement. (10mks)
- b) Explain the methods of determining levels of price of a given product. (10mks)

#### **QUESTION THREE**

- a) Explain the role of other departments that work closely with the purchasing department. (10mks)
- b) Explain the importance of stocktaking. (10mks)

#### **QUESTION FOUR**

- a) Evaluate the benefits associated with buying inventory in large volume. (10mks)
- b) Explain the significance of inventory management. (10mks)

#### **QUESTION FIVE**

- a) Explain the objectives of purchasing as a function. (10mks)
- b) Explain the purchase cycle. (10mks)