



**TECHNICAL UNIVERSITY OF MOMBASA
SCHOOL OF BUSINESS
BUSINESS STUDIES DEPARTMENT**

DIPLOMA IN PROCUREMENT AND MATERIALS MANAGEMENT

BPC 2202: PRINCIPLES OF PURCHASING POLICY AND ORGANIZATION

END SEMESTER EXAMINATION

SERIES: DECEMBER 2015

TIME: 2 HOURS

INSTRUCTIONS

- This paper consists of **FIVE** questions.
- Question **ONE** is compulsory with **30 Marks**.
- Attempt any other **TWO** questions.
- Do **NOT** write on the question paper.

This paper consists of TWO printed pages

- Q 1a. Explain **FIVE** factors that favour a company to use of backward integration strategy. (10 Marks)
- b. Explain the steps in the policy formulation process. (14 Marks)
- c. Briefly describe the **THREE** competitive strategies according to Micheal Porter that can give a strategic unit competitive advantage (6 Marks)
- Q 2a. Explain any **FIVE** benefits of planning in organizations. (10 Marks)
- b. Describe briefly Purchasing Policies that are used to define the conduct of purchasing Personnel. (10 Marks)
- Q 3a. Define a Mission and outline **FOUR** factors that differentiate it from a vision (10 Marks)
- b. Briefly explain any **FIVE** objectives of supplies organization function. (10 Marks)
- Q 4a. Divisional structurizing is oriented towards decentralization. Outline **FIVE** reasons adduced in favour of decentralizing purchasing function. (10 Marks)
- b. Define a purchasing mannual and briefly explain it's **FOUR** main purposes. (10 Marks)
- Q 5a. Explain any **FIVE** methods used to evaluate alternative strategies. (10 Marks)
- b. Explain what we mean by the term SWOT analysis as a basis of strategy formulations and the **FOUR** types of strategies that can be formulated at corporate level. (10 Marks)