



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.

DEC 2016 SERIES.

INSTRUCTIONS:

Answer question ONE and any other TWO questions.

BPC 2103: PURCHASING MANAGEMENT A.

QUESTION ONE

Litha Ltd is a fast growing bookshop 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 adopt Material Requirement Plan. (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 small volume purchase decisions. (10mks)

QUESTION FOUR

- a) Identify and explain any significance 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)