



TECHNICAL UNIVERSITY OF MOMBASA.

FACULTY OF BUSINESS STUDIES.

DEPARTMENT OF MANAGEMENT SCIENCE.

DIPLOMA IN PROCUREMENT & MATERIALS MANAGEMENT.

BPC 2203: PURCHASING PRINCIPLES & TECHNIQUES

TIME: 2HRS.

DEC 2016 SERIES.

INSTRUCTIONS:

Answer question ONE and any other TWO questions.

BPC 2203: PURCHASING PRINCIPLES AND TECHNIQUES. A.

QUESTION ONE

Nakumatt Holdings is a very established supermarket with branches across the country and beyond.

- a) Advise the firm why it would be appropriate to undertake local purchase decision. (10mks)
- b) Identify and explain any five ways the firm can benefit from adopting purchase contract. (10mks)
- c) Suggest five reasons why adopting specifications or descriptions is a vital tool for any purchase activity of the firm. (10mks)

QUESTION TWO

- a) Explain the circumstances that can make a firm undertake small volume purchase decision. (10mks)
- b) Identify and explain the objectives of purchase function. (10mks)

QUESTION THREE

- a) Evaluate the significance of inventory management to a firm. (10mks)
- b) Identify and explain any five basis or criteria for evaluating the supplier. (10mks)

QUESTION FOUR

- a) Explain the circumstances that will influence a firm to buy products. (10mks)
- b) Explain the five ways of determining level of prices for products. (10mks)

QUESTION FIVE

- a) Explain the benefits associated with adopting Material Requirement Plan.(MRP). (10mks)
- b) Discuss the role of technology in purchasing department. (10mks)