

**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 & TECHNIQUES B.**

### **QUESTION ONE**

Litha Academy is a medium sized but fast growing school offering KG learning services. Evaluate why the school has to adopt the following considerations.

- a) The need to adopt e-procurement. (10mks)
- b) The major ways of evaluating the supplier. (10mks)
- c) The need to undertake routine stocktaking. (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 importance of purchase contract. (10mks)
- b) Evaluate the benefits of purchase specifications. (10mks)

### **QUESTION FIVE**

- a) Explain the significance of Material Requirement Plan to a firm. (10mks)
- b) Identify and explain any five ways of determining levels of a price of a product. (10mks)