

TECHNICAL UNIVERSITY OF MOMBASA
END OF SEMESTER FEB-MAY 2016 EXAMS
BPC 2205: INTERNATIONAL PURCHASING
PAPER II

INSTRUCTIONS: *Question 1 compulsory and any other two*

QUESTION I

- a) International purchasing is a very important aspect in our day today living style while marketing our products to foreign countries. Discuss the how international purchasing evolved to where it is at the moment. **(10marks)**
- b) Commodity markets embrace both industrial materials and foodstuffs. Before the advent of today's organized commodity exchanges, the world's trade in basic raw materials developed in several centers in different parts of the world. Discuss the factors determining world commodity prices **.(10marks)**
- c) Discuss the following documents as used in international purchasing markets **(10marks)**
 - i. Revocable letter of credit
 - ii. Bill of exchange
 - iii. Open payment

QUESTION II

- a) The International chamber of commerce was found to resolve business disputes of international character. Discuss the main reasons as to why the International chamber of commerce is still strong to date. **(10mrks)**
- b) Discuss the factors to consider when choosing the methods of payment in international markets. **(10marks)**

QUESTION III

- a) Define global sourcing and main reasons for global sourcing. **(10 marks)**
- b) Discuss the role of international purchasing in supply chain. **(10 marks)**

QUESTION IV

- a) Discuss any five stakeholder's in charge of the growth of international trade highlighting their functions. **(10 marks)**
- b) Discuss the main forms of countertrade as used in international purchasing.**(10marks)**

QUESTION V

- a) Discuss the difference between National and International trade as in the International markets **(10mks)**
- b) Discuss the characteristics of industrial and consumer products in international markets **(10 marks)**