



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT SCIENCE

UNIVERSITY EXAMINATION FOR:

DEGREE IN BUSINESS ADMINISTRATION

BPC4201: PRINCIPLES OF PURCHASING AND SUPPLIES MANAGEMENT

END OF SEMESTER EXAMINATION

SERIES: DECEMBER 2016

TIME: 2 HOURS

DATE: 21 Oct 2016

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

Question ONE

- (a) Tendering is not necessary where there is already an existing supplier or contractor. Accordingly **explain** any five disadvantages of tendering (10marks)
- (b) Purchase planning is a very critical exercise in purchasing and supplies. Accordingly evaluate **ANY FIVE** benefits of purchase planning (10marks)
- (c) State and explain briefly any **FIVE** merits of purchasing policies in an organization (6 marks)

Question TWO

- (a) Choose and explain any **FIVE** roles of purchasing function in an organization (10marks)
- (b) Specifications are paramount in purchase process. Critically discuss **ANY FIVE** advantages of specifications in purchasing (10marks)

Question THREE

- (a) Outline any **FIVE** benefits of quality control (10marks)
- (b) Standardization aims at minimizing overall acquisition cost through optimization of the elements of stockholding and other costs. Highlight any **FIVE** disadvantages of standardization and variety reduction (10mks)

Question FOUR

- (a) Discuss ANY **FIVE** purposes of a supplier visit (10marks)
- (b) Supplier assessment revolves around selecting one or more suppliers capable of working to the specification. Discuss any **FIVE METHODS** used in assessing supplier capability (10marks)

Question FIVE

- (a) Identify and explain briefly any **FIVE** functions of store keeping (10marks)
- (b) Negotiation has perhaps been described as the finest opportunity for the buyer to improve his or her company's profits and obtain recognition. Accordingly highlight any five objectives of negotiation (10marks)