



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

MANAGEMENT SCIENCE DEPARTMENT

COURSE/CLASS: BACHELOR OF COMMERCE (PROC)
Y4S1 2013/JAB, Y4S1 S2014/PT, Y4S2M2014/S-PT

UNIT CODE: BPC 4401

UNIT NAME: GLOBAL PROCUREMENT MANAGEMENT

SERIES: 16TH DECEMBER, 2016

PAPER DURATION: 2 HOURS

NO OF STUDENTS: 150

INSTRUCTIONS TO CANDIDATES:

Answer question ONE (Compulsory) and any other TWO questions.

PAPER A

- Q1. (a) Choose and explain briefly any **FIVE essential factors** for the **success, effectiveness and efficiency** of Global Procurement Management that should be known and enforced to overcome or handle the many difficulties/problems it is facing everywhere
(10 marks)
- (b) Because of its huge carrying capacity sea transport is the most commonly used method of transport in Global Procurement/Sourcing. Accordingly, highlight the **FIVE types of sea freights** that the owners of cargos/parcels pay to the owners of ships/carriers for carrying for the cargos/parcels from the port of departure to the port of destination
(10 marks)
- (c) **Counter Trade** is one of the links/intermediaries for exchanging goods and services for different goods and services among suppliers and customers found in different countries. As a consultant in Global Procurement, advise your clients on the **FIVE factors** that they should consider and enforce for **successful counter-trade agreements**
(10 marks)
- Q2. (a) Outsourcing is a Management Strategy by which the major **non-core functions** are transferred to specialists, efficient external service providers. In the above context, state and explain very briefly any **FIVE outsourcing problems/disadvantages** you are likely to meet and handle whenever you transfer non-core functions to specialists, efficient, external service providers
(10 marks)
- (b) Clearly, bring out any **FIVE Free on Board (FOB) major legal contractual obligations** as between the buyers/importers and the sellers/suppliers/exporters
(10 marks)
- Q3. (a) Outline the **FIRST FIVE steps** that should be established and followed in implementing **Global Procurement Management Procedure**
(10 marks)
- (b) Highlight any **FIVE factors** you should consider and follow in choosing a **foreign supplier** from whom to buy any required work facilities not available locally.
(10 marks)
- Q4. (a) Various reasons get advanced in favour of either trade restrictions on the imports of specific produce/product or on trade with particular countries. State and explain very briefly any **FIVE reasons** you would give in support/favour of Trade restrictions
(10 marks)

(b) In good sourcing, the purchasing/procurement staff should look for as many potential suppliers as possible, compare them against one another before choosing only a few from whom to buy the required work facilities. Outline any **FIVE criteria** that can be used in **evaluating/assessing potential suppliers** before choosing only a few to provide/sell the required work facilities **(10 marks)**

Q5. (a) Most well-run organizations balance between **buying or making** the required work facilities by comparing the prevailing market prices and the costs of production. Highlight any **FIVE factors** that would **favour/support** the “**MAKING**” of the required work facilities. **(10 marks)**

(b) Choose and explain very briefly any **FIVE factors** you should know and follow in **selecting a good method of making payment to suppliers abroad.** **(10 marks)**