



# TECHNICAL UNIVERSITY OF MOMBASA

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## SCHOOL OF BUSINESS

### DEPARTMENT OF MANAGEMENT SCIENCE

#### UNIVERSITY EXAMINATION FOR:

#### DEGREE IN BUSINESS ADMINISTRATION

#### BPC4307: PRINCIPLES OF PROCUREMENT

#### 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.**

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#### **Question ONE**

(a) All organizations need input of goods and services from external suppliers or providers. Accordingly **explain** any five objectives of the procurement function in an organization (10marks)

(b) Ethics form the core or key success to procurement activities. Accordingly evaluate **ANY FIVE** benefits of professional ethics in procurement (10marks)

(c) State and explain briefly any **FIVE** merits of purchasing policies in an organization (10 marks)

#### **Question TWO**

(a) Choose and explain any **FIVE** objectives of negotiation in procurement (10marks)

(b) Specifications are paramount in purchase process. Critically discuss **ANY FIVE** precautions taken while preparing specifications (10marks)

### **Question THREE**

- (a) Outline any **FIVE** methods of ensuring quality (10marks)
- (b) . Highlight any **FIVE** advantages of standardization and variety reduction (10mks)

### **Question FOUR**

- (a) Discuss ANY**FIVE** areas which warrant particular attention by procurement staff when making appraisal visits to suppliers (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 circumstances under which the buyer will be in a stronger negotiation position (10marks)