

SET ONE

**TECHNICAL UNIVERSITY OF MOMBASA.**

*School of Business.*

**DEPARTMENT OF MANAGEMENT SCIENCE.**

UNIVERSITY EXAMINATION FOR THE DIPLOMA IN:

**LOGISTICS & TRANSPORT MANAGEMENT(Y2 S2)**

**BLT 2208: ADVANCED PROCUREMENT.**

END OF SEMESTER EXAMINATION

**SERIES: DECEMBER 2016**

TIME: 2 HOURS.

**INSTRUCTIONS TO CANDIDATES.**

- This question paper consists of FIVE questions.
- Attempt question ONE(COMPULSORY) and any other TWO questions.
- Maximum marks for each part of a question are as shown.

### **QUESTION ONE(COMPULSORY)**

- (a) Examine the benefits of a procuring entity making payments to the supply sources on credit (10 Marks).
- (b) Analyze the internal factors that a business enterprise will put into account when making decisions on the right prices to charge the customers (10 Marks).
- (c) It is desirable, vital and essential to analyze whether the price of a proposed purchase is right or not before placing a purchase order. In view of this statement, when can we say that the price of a purchase is right?(10 Marks).

### **QUESTION TWO.**

- (a) Parties in a contract have a contractual responsibility to ensure that the final contract document is satisfactorily drawn and legally binding. Highlight the essential elements of a valid and legally enforceable contract (10 Marks).
- (b) Enumerate the activities which would typically take place in an efficiently and effectively managed procurement department in an organization of your own choice(10 Marks)

### **QUESTION THREE.**

- (a) The success of a negotiation process heavily relies on the right resources. Explain such resources (10 Marks).
- (b) Examine the key objectives of procurement function as perceived by procurement professionals and other stakeholders (10 Marks).

### **QUESTION FOUR.**

- (a) Highlight the critical pieces of information captured in an authentic purchase requisition (10 Marks).
- (b) There are various reasons as there are different organizations for measuring the performance of the contracted supply sources. Discuss reasons for measuring the performance of supply sources that are common to all the organizations (10 Marks).

### **QUESTION FIVE.**

- (a) It is common sense that if a buying organization aggregates purchases and reduces the supply base some substantial financial savings will be achieved. Explain the benefits that will accrue to the organizations that embrace the concept of supply base reduction (10 Marks)
- (b) Evaluate the features that the right supply source shall possess (10 Marks).