

SET TWO.

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) Identify the external factors that would influence the prices offered by supply sources in perfect markets (10 Marks).
- (b) Discuss a typical procurement cycle followed in acquiring the procurement requirements into the organization (10 Marks).
- (c) A supplier has just delivered the materials and inspection by the receiving team has identified that some of them have been found substandard. Discuss the options available to the team receiving the materials (10 Marks).

QUESTION TWO.

- (a) Before parties can commit themselves into a formal contract, wider consultations and thorough and negotiations should be carried out to ensure that nothing is left to chance. Highlight the pertinent issues that must be discussed exhaustively before final commitment into the proposed contract (10 Marks).
- (b) A good supply source must ensure that there is enhanced customer service delivery. Evaluate the indicators of satisfactory supplier performance (10 Marks)

QUESTION THREE.

- (a) Highlight the dangers of rationalizing supply base to the most minimal (10 Marks).
- (b) A well developed and operational procurement functions in a business entity has some specific objectives to achieve. Discuss(10 Marks).

QUESTION FOUR.

- (a) Explain the advantages of engaging potential supply sources in the negotiation process before finalizing the purchase contracts (10 Marks).
- (b) Your Managing Director has stated in certain terms that she no longer needs a procurement department in the organization. Her logic is that if each departmental manager runs own budget the better. Analyze the risks of implementing this directive in the organization (10 Marks).

QUESTION FIVE.

- (a) Purchasers often need to analyze market prices and overall spend for the purpose of developing the right purchasing strategies. With respect to this statement, when can we say that the price of a purchase is right? (10 Marks)
- (b) Examine the critical pieces of information captured in an authentic request for quotation form (10 Marks).