



**TECHNICAL UNIVERSITY OF MOMBASA**  
**SCHOOL OF BUSINESS**

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DEPARTMENT OF MANAGEMENT SCIENCE

**UNIVERSITY EXAMINATION FOR:**

DIPLOMA IN PROCUREMENT AND MATERIAL MANAGEMENT

BPC: 2203 PURCHASING PRINCIPLES AND TECHNIQUES

**SUPPLEMENTARY EXAMS**

**SERIES: AUGUST 2019**

**TIME: 2 HOURS**

**DATE: 10 Aug 2019**

**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 (Compulsory) – 30 Marks**

- (a) Define Specification and explain **Five** factors for using the specifications as a tool for describing a purchase. (12 Marks)
- (b) Examine **Five** techniques that an organization may use to evaluate suitability of potential suppliers. (10 Marks)
- (c) Discuss Six basic principles of purchasing which should be followed especially in public organizations when making a purchase (8 Marks)

## Question TWO

- (a) Describe the **sources of information** where you as a purchasing specialist can find the potential suppliers for your company. (10 marks)
- (b) In purchasing, some companies prefer making bulk purchases believing that it is more advantageous than the other methods. Briefly explain five such advantages of bulk purchasing. (10 Marks)

## Question THREE

- (a) Explain how the purchasing objective of maintaining good relationship with supplier is achieved. (10 Marks)
- (b) Explain **Five** factors that emphasize the importance of using a **Purchase Order as a technique** in purchasing cycle. (10 Marks)

## Question FOUR A

- (a) Describe some of the unethical behavior that are not expected of purchasing professionals in any organization. (10 Marks)
- (b) Purchasing Negotiation is a key technique in any purchasing undertaking. Highlight on Five key **Negotiation Techniques** which are normally used for complex and high value items. (10 Marks)

## Question FIVE

- (a) Organizations are currently considering Purchasing Department as a key department in their operations. Discuss **Five Roles** of Purchasing Department to an organization. (10 Marks)
- (b) Describe the Advantages of Information Communication **Technology in** purchase order processes. (10 Marks)