



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT SCIENCE

UNIVERSITY EXAMINATION FOR:

DIPLOMA IN PROCUREMENT AND MATERIAL MANAGEMENT

(YEAR 2 SEMESTER 2)

BPC 2205: INTERNATIONAL PURCHASING

END OF SEMESTER EXAMINATION

SERIES: AUGUST 2019

TIME: 2 HOURS

DATE: 13 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.

Question ONE

- a) Discuss the main factors affecting international purchasing (12 marks)
- b) Different organizations have facilitated the growth of international trade since 1930's discuss some of these (12 marks)
- c) Discuss the success factors /benefits of international purchasing (6 marks)

Question TWO

- (a) International purchasing is the process of allowing firms around the world to bid on contracts for goods and services. Explain the Limitation or problems associated with international procurement. (10 Marks)
- (b) Explain the term reciprocal trade and its advantages and disadvantages (10 Marks)

Question THREE

- a) Distribution function plays the principal role of providing customers with the accurate and timely response and their orders at the right cost. Explain these other roles played by distributors in international trade (10 Marks)
- b) International Commercial Terms or Incoterms are three-letter trade terms developed by International Chamber of Commerce and widely used in international and domestic contracts for the sale of goods. Discuss 5 incoterms or international commercial terms used in international trade (10 Marks)

Question FOUR

- (a) International purchasing is concerned with obtaining goods and services available in markets across national boundaries. The process of purchasing from international market is desirable to enable a firm to compete. Explain the roles of international purchasing in supply chain (10 Marks)
- (b) There is no major difference between the two aspects but inter regional is trade between regions within a country. Discuss the similarities between national and international purchasing (10 marks)

Question FIVE

- a) International trade is the process of allowing firms around the world to bid on contracts for goods and services, venturing in the International procurement there are Procedure of Buying from Overseas markets discuss these procedures which has to be followed (10 marks)
- (a) International purchasing refers to a process of acquiring goods and services ethically and legally where the supplier (exporter) and the buyer (importer) are located, registered and carrying out business in different countries. Discuss the reasons for restricting international procurement (10 marks)