



---

# TECHNICAL UNIVERSITY OF MOMBASA

---

## SCHOOL OF BUSINESS

### *Department of Management Science*

DEPARTMENT OF BUSINESS STUDIES

END OF SEMESTER EXAMS FOR BACHELOR OF COMMERCE  
(PROCUREMENT OPTION)

**BPC 4405: NEGOTIATIONS & MANAGEMENT OF PURCHASING RELATIONSHIPS**

**CLASS:** YEAR FOUR SEMESTER ONE

AUGUST 2019

**TIME:** 2 HOURS

**INSTRUCTIONS:**

- Answer question **ONE (Compulsory)** and any other **TWO** questions.
- Marks are allocated and the end of each question

*This paper consists of THREE printed pages.*

### **QUESTION ONE (30 MARKS)**

- a) Clearly describe the FIVE major phases of Negotiation Framework in respect to negotiations and management of purchasing relationships (10 Marks)
- b) Discuss any FIVE types of integration that supply management should become actively involved in. (10 Marks)
- c) Describe the types of information and data that supply management may share with different internal and external functions in the process of managing purchasing relationships. (10 Marks)

### **QUESTION TWO (20 MARKS)**

- a) Termination of a contract unless the arrangement has run its normal course is a serious event in purchasing and supply relationships. With examples, explain the reasons why a buyer-seller relationship may be terminated. (10 Marks)
- b) Discuss the characteristics of effective negotiators that is required in the negotiation and management of purchasing relationships. (10 Marks)

### **QUESTION THREE (20 MARKS)**

- a) Research with cross-functional sourcing teams revealed that teams that included suppliers as active team participants put forth greater effort, on average, than teams that did not include suppliers. Discuss why the involvement of external suppliers can positively affect a team's effort. (10 Marks)
- b) Provide reasons why most firms do not have an adequate supplier measurement system. (10 Marks)

### **QUESTION FOUR (20 MARKS)**

- a) Describe the traditional model of buyer-seller relationships. (10 Marks)
- b) How is the traditional model of buyer-seller relationship different from the collaborative model? What are the major characteristics of the collaborative model? (10 Marks)

**QUESTION FIVE (20 MARKS)**

- a) With examples, describe how buyers and sellers engage in an adversarial relationship treat each other. (10 Marks)
- b) Using the buyer-seller relationship spectrum, explain the various types of buyer supplier relationships and indicate the key issues to consider in managing the various types of relationships. (10 Marks)

***“WISHING YOU THE BEST OF LUCK”***