



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT SCIENCE

UNIVERSITY EXAMINATION FOR:

MASTER OF SCIENCE IN PROCUREMENT & SUPPLY CHAIN MANAGEMENT

BPC 5101: PROCUREMENT MANAGEMENT

END OF SEMESTER EXAMINATION

ORDINARY EXAMINATIONS

SERIES: APRIL 2022

TIME: 3 HOURS

DATE: APRIL 2022

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 and any other THREE Questions

Do not write on the question paper.

Question ONE

TENGEZA LIMITED

Tengeza Limited is a leading manufacturer of copper, iron and brass fitting in the country. An assessment of its procurement activities by the auditor has shown a score of 40% in terms of its efficiency and potential to comply with procurement regulations. Its procurement function is disjointed and thus there are a few fraudulent cases being reported as well as challenges in procuring commodities (copper, iron and brass) for the firm.

The management has proposed that the procurement function should be decentralized to overcome these problems. The firm has also had challenges in finding suppliers for its routine purchases and thus spending too much time and funds leading to unnecessary losses. The auditor has advised the management to do an analysis of its prices to ensure effective costing of materials.

Required:

- a) Advise the management of Tengeza Ltd on five purchasing techniques that it can adopt in the Purchase of its commodities (copper, iron and brass) (10 Marks)
- b) Appraise five benefits that would accrue to Tengeza Ltd by decentralizing its procurement function (10 Marks)
- c) Develop five criteria that can be adopted by Tengeza Ltd in performing price-cost analysis (10 Marks)
- d) Describe five indicators of procurement fraud that Tengeza Ltd's management should always look out for (10 Marks)

Question TWO

- a) With examples, distinguish between reactive and proactive buying as used in procurement management (10 Marks)
- b) Describe the five steps to successful application of category management in an organization (10 Marks)

Question THREE

- a) Distinguish between the scope of procurement management at the strategic and operational levels (8 Marks)
- b) Describe the strategic sourcing process followed in modern procuring entities (12 Marks)

Question FOUR

- a) Illustrate the application of Carter's 10Cs model in procurement management (10 Marks)
- b) Assess the contribution of the procurement function in the purchase of capital equipment (10 Marks)

Question FIVE

- a) Negotiation in procurement is not always necessary since it is costly and time consuming. Advise your management when is advisable to negotiate with its suppliers (10 Marks)
- b) Illustrate the application of supplier preferencing model in managing an organization's suppliers (10 Marks)