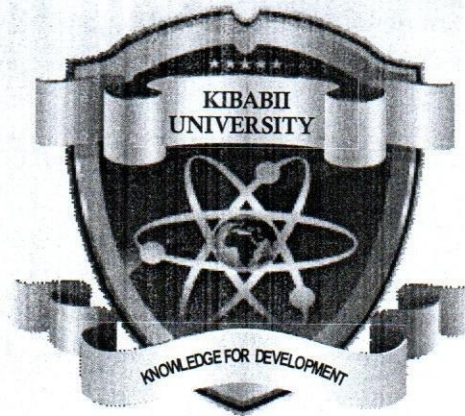


KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2019/2020 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER**

MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR COMMERCE

COURSE CODE: BCP 221

COURSE TITLE: PURCHASING AND SUPPLIES MANAGEMENT

DATE: 16/11/2020 TIME: 2.00 – 4.00PM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

QUESTION ONE

- a) What are some possible indicators on a supplier visit that might cause a buyer to question whether the managers in the company are forward-looking or whether the company is capable of becoming a best-in-class supplier? (10 marks)
- b) Describe a potential ethical dilemma that a purchasing professional might encounter in day-to-day activities. (10 marks)
- c) How is anticipating a material requirement or need through purchasing's involvement on a new-product development team different from reacting to a purchase need? (10 marks)

QUESTION TWO

- a) How does a just-in-time purchasing and production system reduce the need for certain purchasing documents? (10 marks)
- b) As a procurement manager of a large manufacturing company, would you advise your the company to have an international procurement office? (10 marks)

QUESTION THREE

- a) Purchasing is widely recognised as being a key component in the overall effectiveness of a supply chain. Analyse the ways in which purchasing as a process and function contributes to supply chain management (10 marks)
- b) The management of supply chain management is critical in order to reduce costs associated with wastes. Explain to the management these sources of costs which needs to be eliminated within the supply chain. (10 marks)

QUESTION FOUR

- a) Describe the actions that purchasing can take to reduce uncertainty associated with;
- (i) Supplier Quality (3 marks)
 - (ii) Supplier Delivery (3 marks)
 - (iii) Long Order Cycle Times (3 marks)
 - (iv) Inaccurate Demand Forecasts. (3 marks)
- b) Under what circumstance should an organisation use the pull and push strategy. (8 marks)

QUESTION FIVE

- a) The parties to a sourcing negotiation can discuss many issues besides price. Select five non-price issues over which a buyer and seller can reach agreement, and explain why each issue might be important to the buyer or seller. (10 marks)
- b) Discuss the reasons why measuring and evaluating purchasing performance has historically had certain problems or limitations. Do you think the purchasing function should increase or decrease its effort to measure performance? (10 marks)