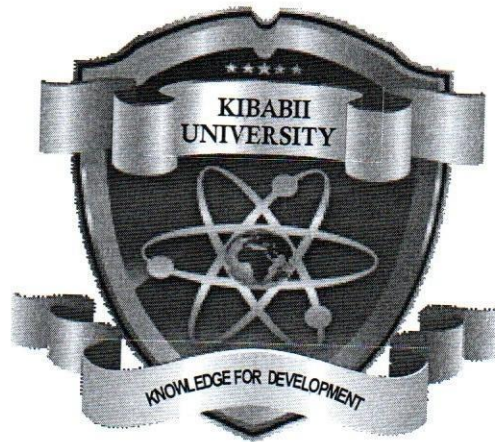


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# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS

### MAIN EXAMS

2020/2021 ACADEMIC YEAR

FIRST YEAR SECOND SEMESTER

FOR THE DIPLOMA OF BUSINESS ADMINISTRATION

COURSE CODE: DPS 100

COURSE TITLE: PRINCIPLES OF PURCHASING AND SUPPLIES

DATE: 14/05/2021

TIME: 9.00AM-10.00AM

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#### INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

### **QUESTION ONE**

- a) Define materials management. Explain the objectives of materials management in an enterprise? **[10 Marks]**
- b) Define Purchasing as a function. Describe the main activities involved in Purchasing function. **[10 Marks]**
- c) Describe the relationship between purchasing and supply department and other departments in the organization **[10 Marks]**

### **SECTION B (ANSWER ANY TWO QUESTIONS)**

#### **QUESTION TWO**

- a) List and Explain the FOUR classes of buyers that exist in any purchasing environment **[12 Marks]**
- b) Describe the qualifications of a purchase executive in an organization. **[8 Marks]**

#### **QUESTION THREE**

- a) There are many factors that determine the behavior of prices for various commodities or services or products in the world. Discuss. **[10 Marks]**
- b) Discuss the steps involved in the Procurement Process in an organization **[10 Marks]**

#### **QUESTION FOUR**

- a) The principles of right purchasing require considerable enterprise and study of economic trends and market condition. Describe any FIVE main principles of purchasing. **[15 Marks]**
- b) State Five documents used in Procurement process. **[5 Marks]**

#### **QUESTION FIVE**

- a) Purchasing procedures must be made formal and transparent to all the parties. Explain the three purchasing procedure phases. **[10 Marks]**
- b) What is 'organization of purchasing'? Describe the merits of centralization of purchasing. **[10 Marks]**