

**KIBABII UNIVERSITY**



**UNIVERSITY EXAMINATIONS**

**MAIN EXAMINATION**

**2020/2021 ACADEMIC YEAR**

**FIRST YEAR SECOND SEMESTER**

**FOR THE DIPLOMA OF BUSINESS MANAGEMENT**

**COURSE CODE: DPS 100**

**COURSE TITLE: PRINCIPLES OF PURCHASING AND SUPPLIES**

**DATE: 06/10/2021**

**TIME: 9.00 – 11.00AM**

---

**INSTRUCTIONS TO CANDIDATES**

**Answer Question ONE (compulsory) and ANY OTHER TWO questions**

### QUESTION ONE

- a) Explain the following Purchasing Concepts [10 Marks]
- i) Raw materials
  - ii) Manufactured parts
  - iii) Work in process
  - iv) Packaged materials
  - v) Purchasing ethics
- b) Explain the Objectives of purchasing and supplies department in an organization [5 Marks]
- c) List and define any five documents used in Purchasing and Supplies Management [5 Marks]
- d) State any five fraudulent activities in Purchasing [5 Marks]
- e) Discuss the importance of Materials Management [5 Marks]

### QUESTION TWO

- a) Purchasing procedures must be made formal and transparent to all the parties. Explain the purchasing cycle in an organization. [12 Marks]
- b) Explain the Factors influencing individual purchase behavior [8 Marks]

### QUESTION THREE

- a) Discuss Five purchasing systems that may be used by an entity in sourcing of goods, works and services as provided for by Public Procurement and Asset Disposal Act, 2015 [15 Marks]
- b) Differentiate between Consumer Purchasing and Industrial Purchasing [5 Marks]

### QUESTION FOUR

The principles of right purchasing require considerable enterprise and study of economic trends and market condition. These help in correct decision-making and effective performance of the purchasing department.

- a) In view of the above, discuss five 'R' of purchasing. [15 Marks]
- b) What are the benefits of Market Research to an Organization [5 Marks]

### QUESTION FIVE

- a) State the pre-requisite traits required for a successful Purchasing Manager [10 Marks]
- b) What are the benefits of international sourcing to a country [10 Marks]