

KIBABII UNIVERSITY



**UNIVERSITY EXAMINATIONS
SPECIAL/SUPPLEMENTARY EXAMS**

2020/2021 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCP 313

COURSE TITLE: INTERNATIONAL PURCHASING

DATE: 24/09/2021

TIME: 11.00AM – 1.00PM

INSTRUCTIONS TO CANDIDATES

- 1) Answer Question **ONE**(Compulsory) and **ANY OTHER TWO** Questions
- 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
- 3) Credit is given for legibility, clarity and use of relevant examples
- 4) Question **ONE** is **30 marks** while Questions **2-5** carry **20 marks** each
- 5) Clearly write your **Registration Number** on each answer sheet used

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

QUESTIONS : SECTION A

QUESTION ONE

- a) Name Four risks that East African Breweries might face as they go global (04mks)
- b) Briefly explain the mitigation measures that would be appropriate in handling challenges common in international procurement (10mks)
- c) Explain Two International Procurement Strategies that would be adopted by an Organization if they were to source their supplies from UAE (10mks)
- d) Explain Three structures of International Procurement to be considered in global transactions (06mks)

QUESTIONS : SECTION B

QUESTION TWO

Mattel Toy Manufacturers has to submit specific Commercial Documents in order to have his consignment from china delivered.

- a) Briefly explain Five Principal Commercial Documents that Mattel Toy Manufacturers would submit for the consignment to be released (10mks)
- b) Briefly explain Five Auxiliary Commercial Documents that Mattel Toy Manufacturers would submit for the consignment to be released (10mks)

QUESTION THREE

- a) Explain four factors to consider while sourcing for an ICT equipment from WallMart Supply Chain in the US (04mks)
- b) Explain Four techniques an organization would use to pay WallMart instead of Negotiable Instruments instead of a Letter of Credit (16mks)

QUESTION FOUR

KIBU has just engaged a new Procurement Manager who considers rationalizing procurement spend by procuring locally only if necessary otherwise s/he will target most spend to be international.

- (a) Explain any Three common business contracts s/he is likely to get involved in (12mks)

(c) Explain the role of a Letter of Credit to an Importer & Exporter

(8mks)

QUESTION FIVE

CAS Construction Company considers buying some construction equipment from China and is very worried on the available cargo transport options they can use.

- a) Outline any Five Factors s/he would consider in selecting the mode of transportation (5mks)
- b) Advise on the available types of cargo transportation that one should know before any transportation consideration (15mks)