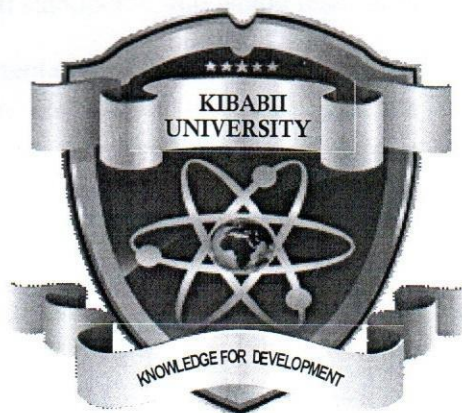


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

2019/2020 ACADEMIC YEAR

FOURTH YEAR SECOND SEMESTER

SPECIAL/SUPPLEMENATRY EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCP 427

COURSE TITLE: PROCUREMENT LAW AND ETHICS

DATE: 12/02/2021

TIME: 8.00AM-10.00AM

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

Consider how, on ethical standpoint, you would react in each of the following cases.

- a) A sales representative calls you informing of having left employment with current supplier. He knows the price you are paying that supplier for components he has been supplying and states that his new company can undercut the present price you pay by 20%. (8 marks)
- b) You can buy cheaper from an oversea supplier, but you know loss of local orders will cause unemployment (7 marks)
- c) You have negotiated and signed a contract with supplier. When you arrive home, you find that an expensive piece of jewelry has been sent anonymously to your wife (8 marks)
- d) Supplier offers you a bribe, saying, 'We do exactly the same for your boss he has no worries.' (7 marks)

QUESTION TWO

a) Describe the following modes of payment in international Purchasing

- i. Promissory notes
- ii. International Credit Transfer
- iii. International bank transfer
- iv. International bills of exchange (3 marks each)

b) Describe briefly the following terms as used in International transport

- i. DAF
- ii. FAS
- iii. FOB
- iv. Bill of Lading? (2 marks each)

QUESTION THREE

a) Examine Five consequences of Frustrated contracts in Kenya (10 marks)

b) Describe Five principles of a good procuring system (10 marks)

QUESTION FOUR

Identify ANY (i) three institutional and (ii) three legal framework that have been set up by the Act to regulate procurement in Kenya. (20 marks)