

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS SPECIAL/SUPPLEMENTARY EXAMS

2016/2017 ACADEMIC YEAR

FOURTH YEAR FIRST SEMESTER

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCP 411

COURSE TITLE: MANAGING SUPPLY CHAIN RELATIONSHIP

DATE: 19TH SEPTEMBER 2017

TIME: 11.30AM – 1.30PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

Question One

- a) How do buyers and sellers move from an adversarial, arm's – length relationship to one of mutual trust and commitment? (10 MARKS)
- b) Discuss how the company can be able to establish partnership outsourcing (10 marks)
- c) Discuss the factors to consider when deciding the appropriate dispute resolution mechanism to use in settling a dispute. (10 marks)

Question Two

- a) Discuss with justification why its appropriate for an organisation to develop a supplier measurement system. (10 marks)
- b) Discuss some of the sources of information that buyer can use to identify potential foreign sources of supply. (10 marks)

Question Three

The Kraljic model is a tool to structure and segment the supply base, and is used as a means of classifying suppliers into one of four types. The objective is to categorize every purchase or family of purchases into one of four categories. Discuss the different categories highlighting the goal of each in a buyer supplier relationship (20 marks)

Question Four

- a) Traditionally, competitive bidding was the primary method for awarding purchase contracts. In the past, it was sufficient to obtain three bids and award the contract to the supplier offering the lowest price. Enlightened purchasers now commit major resources to evaluating a supplier's performance and capability across many different areas. Discuss the process that the evaluation and selection entails. (10 marks)
- b) The concept of ethics is paramount in a buyer seller relationship. Discuss the ethical issues that are of concern to a supplier in buyer supplier relationship (10 marks)

Question Five

- a) A common statement made in some supply management organizations is, "We can't be spending money on supplier development—we're not in business to train suppliers and do their job for them!" What type of barrier does this statement represent? How would you respond to such a statement? (20 marks)