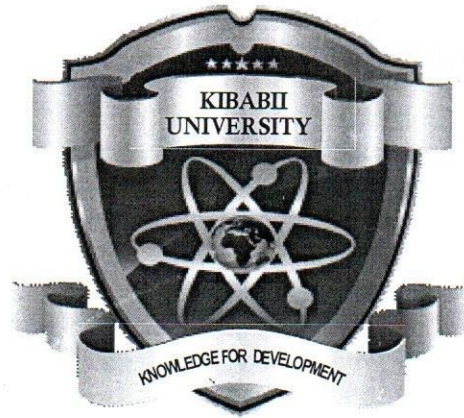


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2019/2020 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER**

SPECIAL/SUPPLEMENTARY EXAMINATION

FOR THE DEGREE OF BACHELOR COMMERCE

COURSE CODE: BCP 221/BCP 209

COURSE TITLE: PURCHASING AND SUPPLIES MANAGEMENT

DATE: 10/02/2021

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

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QUESTION ONE

Read the following case and answer the questions that follow:

Amina-link is a small chain animal feeds store located in Makutano area of Meru town. It is part of a large animal feed group, welcome foods and veterinary services (WFVS) which owns more than 100 stores and vet services in the Mount Kenya region. WFVS has centralized administration in the greater Meru region and all requirements are ordered from there and then delivered to the sites. Individual local managers are responsible for the maintenance and equipment purchasing. Amina-link requires a grain/seed mixer machines for chicken in order to deliver a quality product to its growing number of customers

- a) The management of a large manufacturing company is mainly concerned with the cost of materials and components. Discuss how purchasing would contribute to reducing overall cost and efficiency of materials. (10 marks)
- b) Amina-link requires a grain/seed mixer machines for chicken in order to deliver a quality product to its growing number of customers however there are some challenges in the acquisition of the machine due to specification. Discuss the common problems associated with specifications (10 marks)
- c) Explain using examples how the manager of Amina Link will perceive quality of its products. (10 marks)

QUESTION TWO

- a) Describe the concept of value as it relates to value analysis. Provide examples of how an organization can increase value to itself or to its customers. (10 marks)
- b) Discuss the areas that a purchasing manager would consider in the pre negotiation stage. (10 marks)

QUESTION THREE

- a) What are the five rights of purchasing and how will it be achieved by the purchasing department? (10 marks)
- b) Distinguish between RFID and Barcoding as systems used to control stock/inventory. (10 marks)

QUESTION FOUR

- a) Explain the documentation that are used in the purchasing process. (10 marks)
- b) XYZ company needs to prepare a specification of a machinery they need to purchase. As a student in the purchasing and supplies class, advice and guide XYZ company in writing the order of the presentation the specification (10 marks)

QUESTION FIVE

- a) Analyse the actions that a buyer can take to lessen the problems faced when dealing with a monopoly supplier (10 marks)
- b) It is critical for organisational buyers to become involved, at an early stage, in the purchasing process. This will ensure that they are fully engaged in the decision-making process and can participate in the consideration of all commercial options. However, buyers often claim that they become involved in the purchasing process at too late a stage. Identify and review the actions that buyers can take to ensure their early involvement in the buying process (10 marks)