

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS 2021/2022 ACADEMIC YEAR SECOND YEAR SECOND SEMESTER

MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCP 221

**COURSE TITLE: PURCHASING AND SUPPLY
MANAGEMENT**

DATE: 24/05/2022 TIME: 9.00AM – 11.00AM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

KIBU observes **ZERO** tolerance to examination cheating

QUESTION ONE

CASE STUDY- COMPULSORY.

NGOO Enterprises Ltd is a manufacturer of fast moving consumer goods. The company sought to outsource certain operations in order to cut down on inventory costs by implementing EOQ methodology. To be successful, purchasing department was required to work closely with other departments in the organization including sharing of stock, production, financial and marketing information.

Required-

QUESTION ONE

- i) Explain what you understand by Economic order quantity (5 Marks).
- ii) Justify the need for inventory in an organization (10 marks).
- iii) Access the need for purchasing department to work closely with other departments (8 marks).
- iv) Explain what you understand by outsourcing (7 Marks).

QUESTION TWO

- i) Explore the use of restricted tendering method in acquisition (10 marks).
- ii) Supply chain has a role in a business organization, explore this statement (10 marks)

QUESTION THREE

- i) Evaluation is an important stage selecting a supplier, Discuss. (10 Marks).
- ii) Evaluate the agile concept in supply chain management (10 marks)

QUESTION FOUR

- i) Discuss the principles of procurement (10 marks).
- ii) Examine the role of purchasing in development of a specification (10 marks).

QUESTION FIVE

- i) Explain the concept of ABC analysis as used in supply chain (10 marks).
- ii) Access the relevance of the five rights of supply chain management (10 marks).