

**KIBABII UNIVERSITY**



**UNIVERSITY EXAMINATIONS**

**2021/2022 ACADEMIC YEAR  
THIRD YEAR FIRST SEMESTER  
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF  
COMMERCE**

**COURSE CODE: BCP 345E**

**COURSE TITLE: CONTRACT DEVELOPMENT IN  
PURCHASING AND SUPPLIES**

**DATE: 16/05/2022      TIME: 2.00 – 4.00PM**

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**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

### CASE STUDY- COMPULSORY

Contracts at Kebs Ltd related to acquisitions of resource are developed and managed in a way that all parties meet their obligations as stated in the contract, in line with supply chain paradigm. This includes building of commercial relationships that results in resource exchanges leading to a win-win situation for the parties in the contract. The head of supply chain at Kebs Ltd is convinced that a properly developed and managed contract can deliver value for money through quality and good workmanship in line with the technical specifications.

- i) Commercial relationships are based on certain attributes, explain (10 marks)
- ii) Explore the view of supply chain as a philosophy (5 marks)
- iii) Explain the purpose of a bid bond in contracting (5 marks)
- iv) Drawing on any theory of international trade justify resource exchange in supply chain management (10 marks)

## QUESTION TWO

- i) Examine the role of a contract in purchasing and supply chain management (10 marks)
- ii) Discuss how a contract can come to an end (10 marks)

## QUESTION THREE

- i) Examine the various award criteria in contracting (10 marks)
- ii) Explain contingent approach in supply chain management (10 marks)

## QUESTION FOUR

- i) Justify the lease option in acquisition of capital equipment (10 marks)
- ii) Explain how power and dependency arise in supply chains (10 marks)

## QUESTION FIVE

- i) Risks affects the organization approach to contracting. Examine this statement using Pareto principle (10 marks)
- ii) Explain the concept of purchasing professional code of ethics in contracting (10 mark)