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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2021/2022 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATION**

**FOR THE DIPLOMA OF BUSINESS MANAGEMENT
COURSE CODE: DPS 100
COURSE TITLE: PRINCIPLES OF PURCHASING AND
SUPPLIES**

DATE: 19/07/2022 TIME: 2.00PM – 4.00PM

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

- a) Explain the following Purchasing Concepts [10 Marks]
- i) Raw materials
 - ii) Manufactured parts
 - iii) Work in process
 - iv) Packaged materials
 - v) Purchasing ethics
- b) Explain the Objectives of purchasing and supplies department in an organization [5 Marks]
- c) List and define any five documents used in Purchasing and Supplies Management [5 Marks]
- d) State any five fraudulent activities in Purchasing [5 Marks]
- e) Discuss the importance of Materials Management [5 Marks]

QUESTION TWO

- a) Purchasing procedures must be made formal and transparent to all the parties. Explain the purchasing cycle in an organization. [12 Marks]
- b) Explain the Factors influencing individual purchase behavior [8 Marks]

QUESTION THREE

- a) Discuss Five purchasing systems that may be used by an entity in sourcing of goods, works and services as provided for by Public Procurement and Asset Disposal Act, 2015 [15 Marks]
- b) Differentiate between Consumer Purchasing and Industrial Purchasing [5 Marks]

QUESTION FOUR

The principles of right purchasing require considerable enterprise and study of economic trends and market condition. These help in correct decision-making and effective performance of the purchasing department.

- a) In view of the above, discuss five 'R' of purchasing. [15 Marks]
- b) What are the benefits of Market Research to an Organization [5 Marks]

QUESTION FIVE

- a) State the pre-requisite traits required for a successful Purchasing Manager [10 Marks]
- b) What are the benefits of international sourcing to a country [10 Marks]