

KIBABII UNIVERSITY



**UNIVERSITY EXAMINATIONS
SPECIAL/SUPPLEMENTARY EXAMINATION
2020/2021 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER**

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCP 221

COURSE TITLE: PURCHASING AND SUPPLY MANAGEMENT

DATE: 18/01/2022

TIME: 8.00 – 10.00AM

INSTRUCTIONS TO CANDIDATES

- 1) Answer Question **ONE**(Compulsory) and **ANY OTHER TWO** Questions
 - 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
 - 3) Credit is given for legibility, clarity and use of relevant examples
 - 4) Question **ONE** is **30 marks** while Questions **2-5** carry **20 marks** each
 - 5) Clearly write your **Registration Number** on each answer sheet used
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TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

QUESTIONS: SECTION A

QUESTION ONE

- a) Describe the actions that purchasing can take to reduce uncertainty associated with;
- (i) Supplier quality
 - (ii) Supplier delivery
 - (iii) Long order-cycle times
 - (iv) Extended material pipelines
 - (v) Inaccurate demand forecasts. (10 marks)
- b) If you were the sole owner of your own company, would you favor the make side or the buy side of the make or buy decision? Why? (10 marks)
- c) What is an Enterprise Resource Planning (ERP) System? What are the supply chain benefits and costs of having ERP system? Support your answer with relevant examples. (10 marks)

QUESTIONS: SECTION B

QUESTION TWO

- a) How is purchasing directly and indirectly involved in the control of a firm's inventory investment. (10 marks)
- b) What are the issues or questions purchasing needs to address when evaluating whether a supplier is a candidate for a longer-term relationship? (10 marks)

QUESTION THREE

- 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 how effective listening skills could improve the supplier contribution to negotiation. (10 marks)

QUESTION FOUR

- (a) Discuss the difference between JIT and MRP system of inventory control (10 marks)
- b) Discuss the reasons why some issues that confront a buyer are often not clear from an ethical perspective. (10 marks)

QUESTION FIVE

a) "Procurement management is nowadays more about effectiveness than efficiency?" Discuss.

(10 marks)

b) A recent trend in management thinking is to view each department as satisfying the needs of "customers". In this context a "customer" may mean another internal department of the organisation. Discuss the argument that the purchasing function should create strong links with its internal customers and indicate the benefits that might arise from this approach

(10 marks)