

**KIBABII UNIVERSITY**



**UNIVERSITY EXAMINATIONS**

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

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

**DATE: 01/09/2022                      TIME: 9.00 – 11.00AM**

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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

- a) Contrast the following;
- i) Mercantile purchasing and Single Sourcing [4 Marks]
  - ii) Purchasing Fraud and purchasing Ethics [4 Marks]
  - iii) Centralized purchasing and Decentralized purchasing [4 Marks]
- b) What are the main objectives of a purchase department in an organization [4 Marks]
- c) Describe the relationship between purchasing and supply department and other departments in the organization [8 Marks]
- d) Explain the role of purchasing and supply department in an organization [6 Marks]

### SECTION B (ANSWER ANY TWO QUESTIONS)

#### QUESTION TWO

- a) Discuss any Four purchasing systems that may be used by a public entity in sourcing of goods, works and services as provided for by Public Procurement and Asset Disposal Act, 2015 [15 Marks]
- b) List any five qualities of a successful Procurement Manager. [8 Marks]

#### QUESTION THREE

- a) There are many factors that determine the behavior of prices for various commodities or services in the world. Discuss. [8 Marks]
- b) Discuss the steps involved in the Procurement Process in a manufacturing organization [12 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 'Rs' of purchasing. [12 Marks]
- b) What are the benefits of Market Research to an Organization [8 Marks]

#### QUESTION FIVE

- a) Purchasing procedures must be made formal and transparent to all the parties. Explain the three purchasing procedure phases. [10 Marks]
- b) Explain the differences between centralization and decentralization as it applies to the purchasing function in any given organization. [10 Marks]