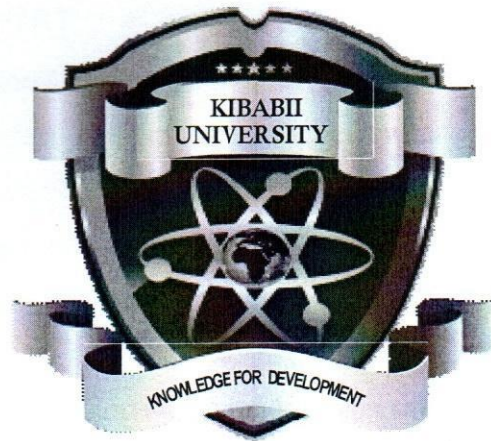


KIBABII UNIVERSITY



**UNIVERSITY EXAMINATIONS
2020/2021 ACADEMIC YEAR**

THIRD YEAR FIRST SEMESTER

MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCP 345E

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

DATE: 02/08/2021

TIME: 9.00AM-11.00AM

INSTRUCTIONS 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

Kibabii University, a procurement entity continuously re-examines its purchasing structures every year as part of its strategic review. The purpose of the review is to align procurement strategy with delivering value for money for the spend. As a public entity, contracts related to acquisitions of resource are developed and managed in a way that all parties meet their obligations as stated in the contract. Consequently, Purchasing, Procurement and Supply chain function has been mandated to deliver on their key performance objectives, particularly in relation to capital acquisitions. Whereas the university prefers and uses open tendering in their contracting process, a Managing Director of a construction firm commissioned to erect and complete a hostel favoured the design and build option. The head of supply chain at the university is convinced that through open tendering, the contractor can deliver a quality hostel of good workmanship in line with the technical specifications under the value for money paradigm.

Required:

- i) As a procurement and supply chain student explain the term contract and the role of specification in acquisition of goods and service. Strategic supply chain management and assess the different views of supply chain management (5 marks).
- ii) Explore the concept of value for money in contracting (5 marks).
- iii) Explain what you understand by design and build approach in contracting (10 marks).
- iv) Analyze the characteristic of capital expenditure (10marks).

QUESTION TWO

- i) Discuss evolution of purchasing to present day (10 marks).
- ii) Justify the use of adversarial and competitive relationships in public sector contracting (10 marks).

QUESTION THREE

In the course of contracting various resources are identified and acquired. Analyze the resources that are likely to be acquired through contracting (10 marks).

- i) Explain the concept of essential of a valid contract (10 marks)

QUESTION FOUR

- i) Discuss the contracting risks that are likely to impact on the performance of the contract (10 marks).
- ii) Explain performance objectives of supply chain management (10 marks).

QUESTION FIVE

- i) Discuss the need for ethical sourcing in contracting (10 marks).
- ii) Explain the concept of expressed and implied terms in a contract (10 mark).