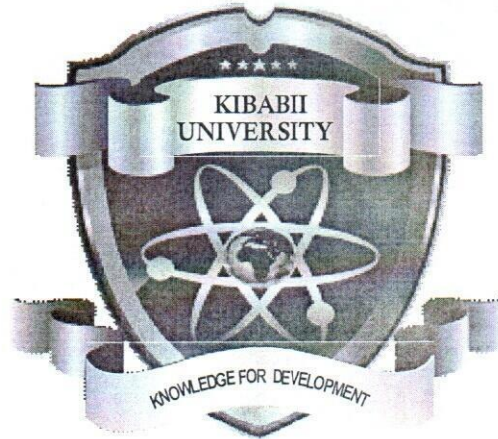


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

2023/2024 ACADEMIC YEAR
THIRD YEAR FIRST SEMESTER
SEPTEMBER-DEC EXAMINATION, 2023
MAIN EXAMINATION
PAPER ONE

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCP 345 E

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

DATE: 06/12/2023

TIME: 2:00-4:00PM

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) ABC 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. 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 function has been mandated to deliver on their key performance objectives, particularly in relation to capital acquisitions. Whereas the ABC prefers and uses open tendering in their contracting process, a managing director of a construction firm commissioned to erect and complete a hostel favored the design and build option. The head of supply chain 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 specifications in acquisition of goods and service. (5mks)
- ii) Explore the concept of value for money in contracting (5mks)
- iii) Explain what you understand by design and build approach in contracting (10mks)
- iv) Analyze the characteristic of capital expenditure (10mks)

QUESTION TWO

- a) Contracts are always formed between organizations however a time come when the parties disagree due to not following the elements of a contract, discuss (10mks)
- b) Differentiate between expressed and implied terms in a contract (10mks)

QUESTION THREE

- a) Explain the difference between conditions and warranties in a contract by stating examples (10mks)
- b) A contract is said to be discharged when the obligations created by cease to bind the parties ,discuss ways in which a contract can be discharged(10mks)

QUESTION FOUR

- a) Explain the factors considered at the preliminary stage of evaluation (10 mks)
- b) Discuss the contracting risks that are likely to impact on the performance of a contract (10mks)

QUESTION FIVE

- a) Describe the different approaches to the purchase of production material and capital items supplies (10mks)
- b) Discuss the evolution of purchasing to present day (10mks)