



# The Co-operative University of Kenya

**END OF SEMESTER EXAMINATION DECEMBER-2019**

**EXAMINATION FOR THE DIPLOMA IN PURCHASING & SUPPLIES  
MANAGEMENT**

**(YR II SEM I)**

**UNIT CODE: CMPS 1202**

**UNIT TITLE: MANAGING PURCHASING & SUPPLY RELATIONSHIPS**

**DATE: 3<sup>RD</sup> DECEMBER, 2019**

**TIME: 9:00 AM – 11:00 AM**

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## **INSTRUCTIONS:**

- Answer question **ONE (compulsory)** and any other **TWO** questions

### **QUESTION ONE**

- (a) Define the following terms (6 Marks)
- i. Strategic Alliance
  - ii. E-procurement
  - iii. Supply Chain Management
- (b) State any **two** sources of information about suppliers (2 Marks)
- (c) Explain any **three** principles of stakeholder management (6 Marks)
- (d) Explain any **four** benefits of supply chain management (8 Marks)
- (e) Explain the **four** basic components of supply chain management (8 Marks)

### **QUESTION TWO**

- (a) Explain any **five** key differences between internal and external stakeholders (10 Marks)
- (b) Business relationships are the backbone of success. Discuss **five** important requirements for building better relationships with suppliers (10 Marks)

### **QUESTION THREE**

- (a) Briefly explain the Kraljic Supply Position Model (6 Marks)
- (b) State the essential elements of a contract (4 Marks)
- (c) Clearly explain the aspects of the buyer-supplier relationship spectrum between the Competitive and Collaborative relationships (12 Marks)

### **QUESTION FOUR**

- (a) Explain Key Performance Indicator (KPI) in Purchasing and Supply Relationships (10 Marks)
- (b) Explain **three** merits and **two** demerits of E- e-purchasing (10 Marks)

### **QUESTION FIVE**

- (a) Explain with suitable examples, the ways of building collaborative teams (10 Marks)
- (b) Employee's interest is to earn high wages but the interest of the manager is to save costs. Discuss in details how these two objectives can be harmonized (10 Marks)