



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION NOVEMBER-2019

**EXAMINATION FOR THE DIPLOMA IN PURCHASING & SUPPLIES
MANAGEMENT (YR II SEM I)**

UNIT CODE: DMPS 1203

UNIT TITLE: MEASURING PURCHASING PERFORMANCE

DATE: 25TH NOVEMBER, 2019

TIME: 2:00 PM – 4:00 PM

INSTRUCTIONS:

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

QUESTION ONE

- (a) Write short notes on the following
- Measuring purchasing performance (2 marks)
 - Key performance indicators (2 marks)
 - Bench marking (2 marks)
 - Supplier appraisal (2 marks)
 - Competitive advantage (2 marks)
- (b) Discuss the rights and principles of purchasing in an organization (10 marks)
- (c) State and explain the advantages associated with management by objective in an organization (10 marks)

QUESTION TWO

- (a) State and explain the reason for holding inventory in an organization (6 marks)
- (b) Discuss the importance of measuring performance (4 marks)
- (c) State and explain the key performance indicators in an organization (10 marks)

QUESTION THREE

- (a) Discuss the different types of forms of benchmarking (10 marks)
- (b) Discuss the factors to be considered in supplier evaluation (10 marks)

QUESTION FOUR

- (a) State and explain the inventory management techniques used in managing inventory (10 marks)
- (b) Discuss the different categories of performance improvement in an organization (10 marks)

QUESTION FIVE

- (a) Discuss the disadvantages associated with just in time as an inventory technique (10 marks)
- (b) State and explain the advantages of training as a measure of performance improvement (10 marks)