



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION NOVEMBER-2020

**EXAMINATION FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION**

UNIT CODE: MBC 3112

UNIT TITLE: PROCUREMENT MANAGEMENT

DATE: NOVEMBER, 2020

TIME:

INSTRUCTIONS:

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

QUESTION ONE

- a) Purchasing department buys many different types of materials and services and the procedures used in competing a total transaction normally vary among the different types of purchases.

i). Discuss a typical purchasing cycle. (10marks)

ii). Explain five roles of purchasing department. (10 marks)

b). Sourcing is a process of determination and selection of firms/ places from which a firm acquires materials of services.

i). Discuss five factors for an organization to consider when deciding where to buy its materials. (10 marks)

ii). Discuss any five areas that are considered and appraised when evaluating suppliers. (10 marks)

QUESTION TWO

Inventory is all the goods and materials that an organization holds for sale or reuse and is designed to support production and service operations.

a) Explain five reasons for an organization to hold inventory. (10marks)

b) Discuss any five techniques that are used to control stock in an organization. (10 marks)

QUESTION THREE

The chartered institute of purchasing and the national Association Purchasing Management have developed ethical principles on which purchasing as professional are conducted.

a) Explain any five ethical principles on which purchasing as a professional is conducted. (10 marks)

- b) Describe five measures citing relevant examples that can be used by organization to control fraud in purchasing. (10 marks)

QUESTION FOUR

- a) Discuss that stages that are involved in the process of negotiation in purchasing. (10 marks)
- b) Explain objectives of the process of negotiation for purchasing. (10 marks)

QUESTION FIVE

- a) Discuss the relevant set of principles that are required to be followed in order to provide a good development, implementation and operation of the performance measurement system. (10 marks)
- b) Using relevant examples, discuss the contributions of the role of information technology (IT) in measuring purchasing performance of a given organization. (10 marks)