



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION APRIL-2019

**EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE
BUSINESS**

(YR II SEM II)

UNIT CODE: BCOM 2204

UNIT TITLE: PRINCIPLES OF PURCHASING AND SUPPLIES

DATE: 8TH APRIL, 2019

TIME: 9:00 AM – 11:00 AM

INSTRUCTIONS:

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

QUESTION ON

- a) The procurement officers are supposed to abide to the ethical code of the institute of purchasing and supply. Explain such ethical cases.
(10 marks)
- b) Explain the relationship between purchasing and other departments within the organization. (10 marks)
- c) Explain the five rights of rights of purchasing ad how a purchasing officer may achieve such rights. (10 marks)

QUESTION TWO

- a) Explain the cost associated with stock in an organization. (10 marks)
- b) Highlight the security and safety measures that need to be taken into account in a store. (10 marks)

QUESTION THREE

- a) Using a diagram show the position of logistics in a supply chain. (10 marks)
- b) As a procurement expert explain the variables that determine the choice of suppliers. (10 marks)

QUESTION FOUR

- a) Differentiate between specification and standardization. (2 marks)
 - b) Highlight the purpose of specification to the organization. (4 marks)
 - c) Discuss the importance of standardization in purchasing. (4 marks)
- ii. Highlight the indicators of procurement fraud in an organization and how they can be prevented. (10 marks)

QUESTION FIVE

- i. Discuss the principles of material handling. (5 marks)
 - ii. Highlight the benefits of material handling. (5 marks)
- b) Differentiate the following sourcing policies.

- i. make or buy policy.
- ii. Single or multiple policy
- iii. Outsourcing and sub-contracting
- iv. E- sourcing & lean sourcing policy

(10 marks)