



The Co-operative University of Kenya

END OF SEMESTER EXAMINATIONS DECEMBER-2019

**EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE
BUSINESS (YR IV SEM II)**

UNIT CODE: HBC 2401

UNIT TITLE: PURCHASING POLICY AND STRATEGY

DATE: 9th DECEMBER 2019

TIME: 9:00 AM – 11:00 AM

INSTRUCTIONS:

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

QUESTION ONE

- (a) Explain the methods that are used to evaluate strategy by organizations. (10 Marks)
- (b) Explain the meaning of the following sourcing policies. (10 Marks)
- (i) Outsourcing
 - (ii) Sub-contracting
 - (iii) E-sourcing
 - (iv) Lean sourcing
 - (v) Multiple sourcing
- (c) Highlight the characteristics of a strategy according to Johnson and Scholes. (10 Marks)

QUESTION TWO

- (a) Explain to Mack Young Logistics Company on the importance of formulating strategies. (10 Marks)
- (b) Explain the conditions that might cause an organization to adopt forward strategy. (10 Marks)

QUESTION THREE

- (a) Differentiate between corporate and functional level strategy. (10 Marks)
- (b) Explain the following business level strategy;
- (i) Porter's competitive strategy
 - (ii) Miles and snow's adaptive strategy. (10 Marks)

QUESTION FOUR

- (a) Explain the approaches that are used to formulate a strategy. (10 Marks)
- (b) Highlight the activities that can be outsourced and the benefits of using such an approach to the organization. (10 Marks)

QUESTION FIVE

- (a) Some firms use SWOT as a strategic tool. Highlight the components of strength opportunities. (10 Marks)

- (b) Highlight the critical success factors for supply chain firms that are in the banking sector. (10 Marks)