

THE CO-OPERATIVE UNIVERSITY OF KENYA

END OF SEMESTER EXAMINATION MAY 2022

**EXAMINATION FOR THE DEGREE IN BACHELOR OF SUPPLY CHAIN
MANAGEMENT**

UNIT CODE BPSM 1203

UNIT TITLE: CONTRACT NEGOTIATIONS

DATE

TIME

INSTRUCTIONS

Answer question ONE (compulsory) and any other TWO questions

QUESTION ONE

QUESTION ONE (compulsory 30mks)

Co-operative University of Kenya is in the process of purchasing a new generator to from HONDA Kenya, however there are contentious issues in regard quality, price and time in the contract. William, Gunze and Phyllis who graduated from the university recently as procurement experts have been selected to negotiate and reach an agreed settlement to the matter on behalf of the University.

- a) Explore **Six** important traits of skilled negotiator that they should possess **(12mks)**
- b) As an expert, identify **FIVE** stages of the actual negotiation stage **(10mks)**
- c) Discuss to the team **FOUR** reasons why gathering intelligence prior to negotiations is important **(8mks)**

SECTION B

Answer Any Two Questions

QUESTION TWO

- a) As a contract negotiator, your confidence translates into power. Hypothesize **FIVE** specific things to do to be more confident in negotiations **(10mks)**
- b) Describe the **DUAL** aspects of negotiations that must be addressed in the planning strategy **(4mks)**
- c) Describe **TWO** types of goals that should receive consideration during negotiations **(6mks)**

QUESTION THREE

- a) The purpose of negotiations is for buyers to get the best possible terms for their organisations. Describe four psychological warfare techniques that suppliers may use to dissuade you from asking for better terms **(8mks)**
- b) Compare and contrast adversarial versus collaborative negotiations **(12mks)**

QUESTION FOUR

- a) Brian and Lydia are procurement officers and together with others were to negotiate a contract for the purchase of the newest technology printing machine with Kyocera. Highlight **THREE** interpersonal tactics they need to employ to achieve a win-win agreement **(6mk)**
- b) Describe two goals that any contract negotiation should aim to achieve **(4mks)**
- c) Contract negotiations are always objective oriented, describe **FIVE** of these in explicit terms **(10mks)**

QUESTION FIVE

- a) Juma, Mary, Phyllis and Glory work in accounts, engineering and procurement departments respectively at the co-operative University of Kenya and have been assigned a duty to source and negotiate with the suppliers of Vans. Analyze **three** different strategies that they could put into place to achieve their goals and objectives **(6mks)**
- b) During the negotiations for the van, the negotiation reached a deadlock, advise them on **THREE** ways of transforming the negotiation from adversarial into a collaboration **(6mks)**
- c) Explore **FOUR** circumstances under which the supplier is deemed more powerful in the contract negotiations **(8mks)**