

**The Co-operative University College of Kenya** (A Constituent College of Jomo Kenyatta University of Agriculture & Technology)

## **END OF SEMESTER EXAMINATIONS APRIL - 2015**

### EXAMINATIONS FOR BACHELOR OF CO-OPERATIVE BUSINESS YEAR III SEMESTER II

### UNIT CODE: HCOB 2427

### UNIT TITLE: PURCHASING AND SUPPLIES MANAGEMENT

#### DATE:

TIME:

#### **INSTRUCTIONS:**

Answer question ONE (compulsory) and any other TWO questions

#### **QUESTION ONE**

a) Explain FIVE (5) objectives of the purchasing function in a manufacturing firm

(10 Marks)

- b) Discuss the control measures you would take in each of the following stages of stock management
  - i. Receipt of stock
  - ii. Storage of stock
  - iii. Disposal of stock (4 Marks Each)
- c) Explain FOUR (4) advantages of a centralized purchasing system (8 Marks)

#### **QUESTION TWO**

a)	Define the tern negotiation as used in purchasing and supplies management and indicate		
	its importance	(6 Marks)	
b)	Outline the elements of a purchase contract	(6 Marks)	
c)	What major information should a request for proposal contain?	(6 Marks)	

### **QUESTION THREE**

a)	Explain the meaning of inventory control (5 Marks)			
b)	Explain each of the following terms as used in the inventory control			
	i.	Carrying cost		
	ii.	Economic order quantity	(5 Marks each)	
c)	b) Describe the procedure for recievig goods (5 Marks)			

# **QUESTION FOUR**

a) What FIVE (5) major criteria would you employ in pre-qualification of supplies?

(10 Marks) b) Explain FOUR (4) major activities performed by the purchasing department (4 Marks)

c) How would you make the decision on whether to make or buy a product?

(6 Mark)

### **QUESTION FIVE**

a) Quality is an important in purchasing. Outline FOUR (4) features that denote quality

(4 Marks)

- b) Explain the meaning of the following forms of supplier relationships:
  - i. Partnership trading
  - ii. Reciprocal trading (4 marks each)
- c) Outline FOUR ways in which a firm can control inventory (8 Marks)