



# MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)  
University Examinations for 2015/2016 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ENTREPRENEURSHIP AND MANAGEMENT  
SCIENCES

FIRST SEMESTER EXAMINATION FOR DEGREE IN -BACHELOR OF  
COMMERCE (PROCUREMENT AND SUPPLY CHAIN MANAGEMENT  
OPTION)

BMS 318: PROCUREMENT MANAGEMENT

Date: 7/12/2015

Time: 8:30 – 10:30 AM

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## INSTRUCTIONS

- *Question one is Compulsory.*
- *Attempt any two other questions.*

1. a) Explain the meaning of the following terms: (10 marks)
  - Green Procurement
  - Blue Print
  - Expediting
  - Cost analysis
  - EOQ
  - Public procurement
  - Lease financing
  - Supply chain management
  - Networks
  - Logistics
- b) Explain the purposes served by a specification in procurement management. (10 marks)
- c) Highlight the documents used in the process of procurement for materials by an organization. (10 marks)

2. a) Mindox Company Ltd. has been experiencing late delivery of materials to their user departments. Explain the reasons that could be leading to the delays. (10 marks)
- b) Distinguish between hiring method and the outright procurement method of acquiring facilities. (10 marks)
3. a) Explain the assumptions that govern the application of the inventory management model in procurement management. (10 marks)
- b) Explain the benefits that may accrue to an organization from the use of consortia as a way of organizing for its procurement activity. (10 marks)
4. a) Explain the possible measures a procurement manager can institute in an organization to reduce expediting costs. (10 marks)
- b) Explain the possible basis a procurement manager can use while undertaking price analysis. (10 marks)
5. a) Explain the examples of failure costs associated with quality control of materials. (10 marks)
- b) Highlight the measures that a procurement manager can institute in an organization to ensure that it is environment friendly. (10 marks)