MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR

DIPLOMA IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

DPS 101: INTRODUCTION TO SUPPLY CHAIN MANAGEMENT

DATE: **TIME:**

INSTRUCTIONS

Answer Question One and Any Other Two Question

QUESTION ONE (20 MARKS)

a) Explain six ways in which the procurement department may enhance the production operations of an organization. (6 marks)

b) Highlight six assumptions of the application of Economic Order Quantity (EOQ) module determination of the right quantity of materials to be bought. (6 marks)

c) Explain six purposes of specifications in purchasing. (6 marks)

d) Explain six financial aspects that a procurement officer should consider when evaluating a supplier. (6 marks)

e) Explain six factors that influence the price charged by supplies for products. (6 marks)

QUESTION TWO (20 MARKS)

a) Highlight FIVE ways in which the procurement department may contribute to delayed payments to suppliers. 10 marks

b) Explain FIVE ways in which a procurement officer may enhance timely deliveries. 10 marks

QUESTION THREE (20 MARKS)

a) Explain FIVE benefits of centralizing procurement activity in an organization. 10 marks

b) Explain FIVE ways that a supply chain officer may manage the small order (Low Value) procurements. (10 marks)

QUESTION FOUR (20 MARKS)

a) Highlight FIVE circumstances that may give rise to rush orders in an organization. (10 marks)

b) Highlight FIVE disadvantages of buying goods in excess of organizational requirements. (10 marks)

QUESTION FIVE (20 MARKS)

a) Explain five indicators of an efficient distribution system of goods. (10 marks)

b) Explain FIVE decisions related to transportation of goods in an organization that may be made at the operational level. (10 marks)