



MACHAKOS UNIVERSITY

University Examinations for 2017/2018 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS, ENTREPRENEURSHIP & MANAGEMENT SCIENCE

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR
BACHELOR OF COMMERCE (SUPPLY CHAIN MANAGEMENT OPTION)**

BPS 322: GENERATION OF REQUIREMENTS

DATE: 18/12/2017

TIME: 2:00 – 4:00 PM

INSTRUCTIONS:

Answer **QUESTION ONE** and any other **TWO QUESTIONS**.

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) A Procurement Plan defines the products and services that you will obtain from external suppliers. Explain the importance of procurement plan (8 marks)
- b) Large manufacturers communicate with their first tier suppliers in product development. State the role of purchasing in new product development. (8 marks)
- c) Outsourcing is the strategic use of resources to perform activities traditionally handled by the firm internally. Discuss why firms outsource. (8 marks)
- d) A standard is defined as a model or general agreement or a rule established by authority, Consensus, or custom, created and used by various level of interest. Identify items the organisation needs standardize (6 marks))

QUESTION TWO (20 MARKS)

- a) Materials planning are a part of production planning. Describe the guidelines for materials planning (10 marks)
- b) Explain methods of communicating material needs (10 marks)

QUESTION THREE (20 MARKS)

- b) Discuss the techniques of drawing up materials budgets (10 marks)
- b) Discuss the importance of standardizations and simplifications (10 marks)

QUESTION FOUR (20 MARKS)

- a) Describe the process of developing a good purchasing descriptions (10 marks)
- b) Discuss various approaches to specifications (10 marks)

QUESTION FIVE (20 MARKS)

- a) Describe the process of new product development (10 marks)
- b) Write short notes on the following concept and state how they can be used.:
 - i. Standards (5 marks)
 - ii. Simplifications (5 marks)