MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SPECIAL/SUPPLEMENTARY EXAMINATION FOR

DIPLOMA IN (PROCUREMENT AND SUPPLY CHAIN MANAGEMENT OPTION)

BBA 040: GLOBAL PURCHASING AND SUPPLY-

DATE: **TIME:**

INSTRUCTIONS

Answer Question One And Any Other Two Questions

QUESTION ONE

a) An air waybill is a key document in the shipment of goods. Analyze the purpose and content of a typical air waybill. (6 marks)

b) Set out the typical content and features of an export sales contract. (6 marks)

c) Illustrate the meaning of the term INCOTERMS clearly showing their role in global purchasing? (6 marks)

d) Discuss benefits accruing to a firm from souring abroad? (6 marks)

e) Discuss costs associated with international purchasing (6 marks)

QUESTION TWO (20 MARKS)

a) Explain the approach that you would take to evaluate the suitability of a transport mode. (10 marks)

b) An organization should have in place a comprehensive process for the key task of selecting an overseas supplier. Analyze the process that should be followed to select an overseas supplier. (10 marks)

QUESTION THREE (20 MARKS)

a) Explain the following terms and in each case explain who is responsible for the following costs: Packing, Loading charges, Carriage charges, insurance and import Duty and taxes CIF (5 Marks), CIP (5 marks)

b) Sourcing from international markets can be sometimes be very challenging. Discuss five difficulties experienced while sourcing from abroad (10 marks)

QUESTION FOUR (20 MARKS)

a) Many considerations will be taken into account in determining the preferred method of payment for a purchase from overseas. Explain the main payment methods used in overseas. (10 marks)

b) Explain any five Acts used during the import of goods from overseas giving the function for each (10 marks)

QUESTION FIVE (20 MARKS)

a) Whilst it involves many risks, buying overseas can be of significant benefit to an organization. Assess the advantages and disadvantages to a company of buying overseas. (10 marks)

b) Discuss the import procedure followed by the firm acquiring goods and services goods and service overseas (10 marks)