MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FOURTH YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR BACHELOR OF COMMERCE (PROCUREMENT AND SUPPLY CHAIN MANAGEMENT OPTION)

BMS 427: INTERNATIONAL PROCUREMENT

DATE: **TIME:**

INSTRUCTIONS

Answer question one and any other two questions

QUESTION ONE

a) Outline the steps that are involved in the exportation procedure for materials to Kenya. (6 marks)

b) Highlight the methods that may be used by an organization to manage currency fluctuations in international procurement. (6 marks)

c) Explain the antitrust enforcement guidelines for international operations when carrying out procurement. (6 marks)

d) Highlight the role of the procurement officer in the establishment of counter trade agreements in international procurement. (6 marks

e) explain the responsibilities of the following bodies in the promotion of international procurement in Kenya:

i) Kenya International Freight & Warehousing Association (KIFWA) (3 marks)

ii) Customs Declaration and Clearance Department of KRA (3 marks)

QUESTION TWO

EPZ zone in Kenya is owned by foreign companies under the concept of off shoring.

a) Describe the difficulties that the expatriate are likely to face as they work in Kenya. (10 marks)

b) Explain why these companies could have been attracted to Kenya to set up the EPZ zone (10 marks)

QUESTION THREE

a) Measures taken by trading bloc to free entry into its markets by non-member countries can undermine the benefits of a trading bloc. Discuss this statement. (10 marks)

b) Explain how the INCOTERMS 2010 are incorporated into a contract. (10 marks)

QUESTION FOUR

a) Explain why Kenya would opt for a trade agreement specifically with one developed country like China or UK. (10 marks)

b) Describe the procedure that a procurement officer should follow for effective importation of supplies into Kenya highlighting the applicable documents. (10 marks)

QUESTION FIVE

a) Discuss the responsibility of seller in EX-WORKS and DDP that make them favorable INCOTERMS in international purchasing. (10 marks)

b) b) Trade between developed and underdeveloped is main driver of the world economies. Explain why this is the case (10 marks)