



# 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: 26/7/2019

TIME: 8:30 – 10:30 AM

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## INSTRUCTIONS

Answer Question One and Any Other Two Question

### Question one

- a) Explain six ways in which the procurement department may enhance the production operations of an organization. 6mks
- b) Highlight six assumptions of the application of Economic Order Quantity (EOQ) module determination of the right quantity of materials to be bought. 6mks
- c) Explain six purposes of specifications in purchasing. 6mks
- d) Explain six financial aspects that a procurement officer should consider when evaluating a supplier. 6mks
- e) Explain six factors that influence the price charged by supplies for products. 6mks

### **Question two**

- a) Highlight FIVE ways in which the procurement department may contribute to delayed payments to suppliers. 10 mks
- b) Explain FIVE ways in which a procurement officer may enhance timely deliveries. 10 mks

### **Question three**

- a) Explain FIVE benefits of centralizing procurement activity in an organization. 10 mks
- b) Explain FIVE ways that a supply chain officer may manage the small order (Low Value) procurements. 10 mks

### **Question four**

- a) Highlight FIVE circumstances that may give rise to rush orders in an organization. 10 mks
- b) Highlight FIVE disadvantages of buying goods in excess of organizational requirements. 10 mks

### **Question five**

- a) Explain five indicators of an efficient distribution system of goods. 10mks
- b) Explain FIVE decisions related to transportation of goods in an organization that may be made at the operational level. 10mks