



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

**FOURTH YEAR SEMESTER EXAMINATION FOR
BACHELOR OF COMMERCE**

BMS 424: NEGOTIATION SKILLS

DATE:

TIME:

INSTRUCTIONS

- i) Answer questions ONE and any other TWO questions. In total answer THREE questions.**
- ii) Question ONE constitutes 30 marks in total while the rest of the questions accounts for 20 marks each.**
- iii) Use of relevant examples and real-life cases is encouraged.**

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Machakos University has sought services of ABC Co. Limited to undertake the construction to completion of its sports complex. Identify and discuss any FOUR justifications that could trigger Machakos University to consider entering into a negotiation process. (10 marks)
- b) XYZ enterprises being a purchasing organization and Kay Consultancy Services (the selling institution) have been on and off of a negotiating table on issues ranging from price to technical support without success. Discuss obstacles that could possibly be attributed to this non-success. (10 marks)
- c) Using suitable examples discuss how the following stages in the negotiation process can be utilized towards avoiding the scenario in b) above.
 - i) Pre-negotiation stage (4 marks)
 - ii) Actual-negotiation stage (3 marks)
 - iii) Post-negotiation stage (3 marks)

QUESTION TWO (20 MARKS)

- a) Using suitable examples discuss FOUR tips on how to prepare for the contracts to be negotiated for. (10 marks)
- b) Using good examples, discuss any FOUR differences between adversarial and partnership approaches to negotiation. (10 marks)

QUESTION THREE (20 MARKS)

- a) Using appropriate examples, discuss any FOUR objectives of purchasing management. (8 marks)
- b) Why is the practice of negotiation important in purchasing management? Explain citing examples. (4 marks)
- c) Using good examples briefly discuss steps in a purchasing system. (8 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss FOUR factors that make international negotiations more challenging than domestic negotiations. (10 marks)
- b) State and analyze FIVE strategies that an organization can employ towards realizing a successful negotiation. (10 marks)

QUESTION FIVE (20 marks)

- a) When assessing the success and effectiveness of a negotiation process certain factors have to be considered. Using good examples, discuss any FOUR of these factors. (10 marks)
- b) Discuss FOUR ways through which Just-In-Time (JIT) approach can contribute to cost reduction. (10 marks)