



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:

TIME:

INSTRUCTIONS

Answer Question One and Any Other Two Question

QUESTION ONE (20 MARKS)

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

QUESTION TWO (20 MARKS)

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

QUESTION THREE (20 MARKS)

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

QUESTION FOUR (20 MARKS)

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

QUESTION FIVE (20 MARKS)

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