



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 110: PURCHASING PRINCIPLES AND TECHNIQUES**

DATE:

TIME:

INSTRUCTIONS

ANSWER QUESTION 1 AND ANY OTHER 2 QUESTIONS

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Discuss six objectives of purchasing department in any given organization (6 marks)
- b) Explain 6 advantages of centralized procurement structure. (6 marks)
- c) Explain six areas of application of ICT in procurement (6 marks)
- d) Describe six steps that are involved in the purchasing process (6 marks)
- e) Explain six benefits that an organization may derive from effective control of stock (6 marks)

QUESTION TWO (20 MARKS)

- a) Discuss the main characteristics of a good supplier for an institution (10 marks)
- b) Discuss five Benefits that an organization may derive from adherence to a purchasing Code of ethics. (10 marks)

QUESTION THREE (20 MARKS)

- a) Discuss the steps followed when using tendering method to procure organizational requirements. (10 marks)
- b) Explain five reasons why organizations engage in purchase negotiations (10 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss the Reasons why an organization may make a decision to buy (10 marks)
- b) List and explain the use of any 5 procurement documents (10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain five types of purchasing specifications that an organization may use. (10 marks)
- b) Explain the criteria that organizations may use when selecting suppliers (10 marks)