MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)
University Examinations for 2015/2016 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ENTREPRENEURSHIP AND MANAGEMENT SCIENCES

FIRST SEMESTER EXAMINATION FOR DEGREE IN BACHELOR OF COMMERCE (PROCUREMENT AND SUPPLY CHAIN MANAGEMENT)

BMS 318: PROCUREMENT MANAGEMENT

DATE: 12//8/2016 **TIME: 8:30 – 10:30 AM**

INSTRUCTIONS.

Answers Question One And Any Other Two Questions.

QUESTION ONE

a) Define the term procurement and differentiate procurement from purchasing. (6 marks)

b) Differentiate between COST ANALYSIS and PRICE ANALYSIS.

c) The procurement process, particularly in the public sector, is often prone to procurement fraud. Define the term procurement fraud and explain the drivers of procurement fraud. (6 marks)

d) Advances in technology have revolutionized procurement activities. Elaborate. (6 marks)

e) Define the term "Learning Curve" and describe three ways on how it can be applied in procurement. (6 marks)

QUESTION TWO

a) Identify and describe the most common methods of procurement. (10 marks)

b) Identify instances of procurement fraud in the procurement cycle and using the fraud triangle, explain how to eliminate procurement fraud. (10 marks)

QUESTION THREE

a) The procurement process is often referred to as the procurement cycle. Elaborate. (10 marks)

b) Supplier evaluation is an important step in the process of identifying suppliers. Identify and describe the factors to consider in objective supplier evaluation. (10 marks)

QUESTION FOUR

a) Describe how organizations can minimize the cost of holding inventory. (10 marks)

b) Define the various types of Buyer-Supplier relationships and the importance of enhancing them in procurement. (10 marks)

QUESTION FIVE

a) Explain five factors to consider while making a decision whether to adopt virtual supply chains or not for an organization. (10 marks)

b) Explain the situations where Adversanal Approach of supplier relationship management would be preferred over a partnership approach. (10 marks)