MACHAKOS UNIVERSITY

University Examinations for 2016/2017 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARMENT OF BUSINESS ADMINISTRATION

THIRD YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF COMMERCE

BMS 318: PRINCIPLES OF PROCUREMENT MANAGEMENT

DATE: 1/8/2017 **TIME: 2:00 – 4:00 PM**

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) It is argued that "the key goal of procurement management practices is to aid enterprises achieve the FIVE rights". Identify and discuss these rights (10 marks)

b) A centralized purchasing system does a firm more good than harm compared to a decentralized one. Discuss (8 marks)

c) With suitable examples explain any FOUR factors that influence the make/buy decisions (6 marks)

d) Explain any FOUR indicators of an effective negotiation process in purchasing (6 marks)

QUESTION TWO (20 MARKS)

a) State and discuss any FIVE considerations for deciding the location of the purchasing function within an organization. (10 marks)

b) Explain any FIVE benefits of a materials management approach (10 marks)

QUESTION THREE (20 MARKS)

a) Explain any FIVE justifications why an organization will find it necessary to undertake analysis of market conditions in relation to purchasing activity. (10 marks)

b) Using appropriate examples, explain any FIVE possible sources of supplier information. (10 marks)

QUESTION FOUR (20 MARKS)

a) State and explain FIVE areas of focus for purchasing research (10 marks)

b) Using good and relevant examples, explain the importance of ethics in procurement management (10 marks)

QUESTION FIVE (20 MARKS)

a) Explain any FOUR dimensions of 'quality' (6 marks)

b) Using relevant examples, explain your understanding of the concept of Total Quality Management (4 marks)

c) Discuss any FOUR ways on how the practice of TQM can contribute to improved performance of a firm's purchasing and supply function (10 marks)