



MACHAKOS UNIVERSITY

University Examinations 2022/2023

DIRECTORATE TVET

FIRST YEAR SECOND TERM END OF TERM EXAM FOR
DIPLOMA IN SUPPLY CHAIN MANAGEMENT

2903/101: SUPPLY CHAIN MANAGEMENT AND PURCHASING PRINCIPLES

DATE: 31/03/2023

TIME: 8:30 – 11:30 AM

INSTRUCTIONS:

ANSWER ANY FIVE QUESTIONS

1. a) Explain Five importance of determining the price of materials in the market.
(10 marks)
 b) Highlight **five** sources from which a buyer may obtain information about
 potential Suppliers. (10 marks)
2. a) Identify Five documents used in receipt and inspection process of goods in an
 organization (10 marks)
 b) Highlight Five importance of evaluating potential suppliers' performance.
(10 marks)
3. a) Explain **five** factors that a supply chain officer may consider in determining
 lead time for an organizations requirement. (10 marks)
 b) Outline Five types of information contained in a purchase order document.
(10 marks)
4. a) Explain Five importance of inspecting incoming goods in an organization.
(10 marks)
 b) Describe Five methods used in determining quantity of materials to buy in an
 organization (10marks)
5. a) Explain Five features of a good specification as stipulated in quality and
 quantity determination. (10 marks)
 b) Discuss Five factors in determining the right time to buy materials in an
 organization (10 marks)

6. a) Highlight Five factors considered when determining the sources of supply.
(10 marks)
- b) Eddy Company Limited has been experiencing increased ordering costs.
Highlight **five** measures which the company may take to minimize such costs.
(10 marks)
7. a) A purchasing officer is expected to follow a standard procedure when buying materials for an organization. Explain Six negative consequences to an organization of failing to follow such procedure. (12 marks)
- b) Highlight four circumstances that would favour the use of a brand name when specifying the quality of goods. (8 marks)