



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

SECOND SEMESTER EXAMINATION FOR DIPLOMA IN SUPPLY CHAIN
MANAGEMENT

DPS 111: PURCHASING PRINCIPLES TECHNIQUES

Date: 11/8/2016

Time: 8:30 – 10:30 AM

INSTRUCTIONS

Answer Question One and Any Other Two Questions

SECTION A (30MKS) COMPULSORY

1.
 - a) Define the term specification as applied in purchasing. (2 marks)
 - b) Highlight five type of standards open to an organization to adopt (10 marks)
 - c) State five types of market structures in a market. (5 marks)
 - d) Explain five ways in which an organization can develop its suppliers (5 marks)
 - e) List five problems faced in international trade by traders. (5 marks)
 - f) State 3 trading blocks operating in East Africa. (3 marks)

SECTION B (40MARKS) ATTEMPT ANY TWO QUESTIONS

2.
 - a) State six objectives of the purchasing function in an organization (12 marks)
 - b) Highlight four basis of carrying out value analysis and value engineering (8 marks)
3.
 - a) Explain the role of the purchasing function in international purchasing. (12 marks)

Examination Irregularity is punishable by expulsion

- b) Highlight four methods of pricing materials requirements in an organization (8 marks)
- 4. a) Explain reason why it is advocated for one to use import agents in global procurement. (10 marks)
- b) Highlight the circumstances when it becomes necessary for a buyer to adopt adversarial style of negotiation. (10 marks)
- 5. a) Enumerate five disadvantages of standardizing materials requirements in an organization. (10 marks)
- b) Explain ways in which countries in a trading region would enhance efficiency in their trading. (10 marks)