



MUEO

MOI UNIVERSITY

OFFICE OF THE DEPUTY VICE CHANCELLOR
(ACADEMICS, RESEARCH, EXTENSION & STUDENT AFFAIRS)

UNIVERSITY EXAMINATIONS

2022/2023 ACADEMIC YEAR

THRID YEAR FIRST SEMESTER EXAMINATION

FOR THE DEGREE OF

BACHELOR

OF

BUSINESS MANAGEMENT

COURSE CODE: BBM 340

COURSE TITLE: PURCHASING MANAGMENT

DATE: 17TH APRIL, 2023 **TIME:** 9.00 A.M. – 12.00 P.M

INSTRUCTION TO CANDIDATES

- SEE INSIDE

THIS PAPER CONSISTS OF (2) PRINTED PAGES

PLEASE TURN OVER

BBM 340: PURCHASING MANAGEMENT

Instructions: Answer Question One and any other Three questions.

QUESTION ONE

CASE STUDY : MANAGING SUPPLIER IN ORDER TO ACHIEVE RESULTS

“A fan manufacturer based in the South West, highlights the importance to competitiveness of purchasing and what it does to work with its suppliers. For them, purchasing activities have contributed to competitiveness in two ways. Firstly “it transfers directly to the bottom line – if we get better pricing. Secondly – it has enabled us to achieve more flexibility in what we do – so if we have purchasing options, to use different suppliers or have varied products to source, it gives us more options in the market place.”

Source: I-COMPETE Case Studies on the Purchasing Practice of Small and Medium-Sized Enterprises in the South West

Answer the Questions below;

- (a) Discuss the objectives of purchasing in the context of manufacturing organizations
(9 Marks).
- (b) Identify the purchasing management strategies that can contribute to firm’s competitiveness
(8 Marks).
- (c) Suppliers are Key stakeholders in purchasing management, discuss the concept of supplier relationship management, highlight the different types of buyer supplier relationships.
(8 Marks).

QUESTION TWO

- a) Supplier Management entails evaluating their performance to ensure they provide the best value to the business. Discuss
(9 Marks).
- b) Differentiate between centralized and decentralized purchasing, highlight their pros and cons
(6 Marks).

QUESTION THREE

- a) The purchase cycle is the process your company undergoes when buying supplies from another vendor, Discuss
(8 Marks).
- b) Purchasing department should ensure that the materials being received are of the correct quality specification, explain the dimensions of quality
(7 Marks).

QUESTION FOUR

- a) Explain the procurement methods used in sourcing of goods, services and works
(8 Marks).
- b) Discuss the methods commonly used in price analysis by procuring entities (7 Marks).

QUESTION FIVE

- a) Discuss the application of Technology in Inventory Management and highlight three inventory planning models **(9 Marks).**
- b) Government procurement is prone to Fraud and corruption, explain how such risks can be mitigated **(6 Marks).**

QUESTION SIX

- a) Negotiations can help to work out a deal and are critical in procurement, discuss **(8 Marks).**
- b) Today most brands have become global brands and are available across the world, explain the need for international sourcing and the risks involved **(7 Marks).**