



MUEO

MOI UNIVERSITY

OFFICE OF THE DVC ACADEMIC AFFAIRS, RESEARCH AND EXTENSION

UNIVERSITY EXAMINATIONS

2015/2016 ACADEMIC YEAR

THIRD YEAR END OF SEMESTER EXAMINATIONS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

EXAM CODE: BBM 340

EXAM TITLE: PURCHASING MANAGEMENT

DATE: 25TH APRIL, 2016

TIME: 2.00 P.M. – 5.00 P.M.

INSTRUCTION TO CANDIDATES

➤ **SEE INSIDE**

HIS PAPER CONSISTS OF (2) PRINTED PAGE

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INSTRUCTIONS:-

- Answer Question **ONE** and any other **THREE** questions.
- Question **ONE** carries **25 Marks**

QUESTION ONE

- a) Expound on the concept of purchasing and supplies management while discussing the key milestones in its development **(15 Marks)**
- b) Purchasing has been a critical aspect in the contemporary world. Analyze the future of purchasing management in reference to Kenyan perspective **(10 Marks)**

QUESTION TWO

- a) Illustrate using examples various factors affecting pricing decisions in relevance to Kenyan industries. **(10 Marks)**
- b) Quality control is not Quality assurance. Discuss. **(5 marks)**

QUESTION THREE

“The procurement process consists of a number of logical stages. If executed well, each stage will deliver the required results and generate positive benefits. The positive benefits from one stage will lead to stronger results in the next. This continuous ‘chain of success,’ results in increasingly beneficial outcomes and stronger overall results”, discuss this statement while citing relevant examples. **(15 marks)**

QUESTION FOUR

- a). Inventory management serves no purpose in today’s competitive market. Discuss **(8 marks)**
- b). What is purchasing organization, and why is it necessary in today’s corporate world? **(7 marks)**

QUESTION FIVE

With the aid of relevant examples, explain on the concept of performance measurement as used in purchasing and supplies management. **(15 marks)**

QUESTION SIX

Negotiation in purchasing and supplies management has been described as perhaps the finest opportunity to secure the best deal for an organization. Discuss how you would conduct the negotiation.

(15 marks)