



MUEO

MOI UNIVERSITY

*OFFICE OF THE DEPUTY VICE CHANCELLOR ACADEMIC AFFAIRS,
RESEARCH AND EXTENSION*

UNIVERSITY EXAMINATIONS

2014/2015 ACADEMIC YEAR

SECOND YEAR END OF SEMESTER EXAMINATIONS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

EXAM CODE: BBM 222

**EXAM TITLE: PRINCIPLES OF PURCHASING AND
 SUPPLIES**

DATE: 8TH DECEMBER, 2015 TIME: 9.00 A.M. – 12.00 NOON.

INSTRUCTION TO CANDIDATES

➤ SEE INSIDE

THIS PAPER CONSISTS OF (1) PRINTED PAGE

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INSTRUCTIONS:-

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

Question One

- a) Purchasing can be traced as back as 2800 BC Cunei form clay tablets purchasing orders. Discuss the concept of purchasing and Supplies management. **(15 marks)**
- b) Analyse the reasons why purchasing and materials control is so important to the purchasing and supplies management process. **(10 marks)**

Question Two

Explain the impact of **THREE** objectives of a public sector organization on its procurement activities and also explain how a purchaser in the public sector complies with the regulatory requirement for: (i) Competitive supply (ii) Accountability. **(15 marks)**

Question

- (a) Define the term 'ethics'. **(2 marks)**
- (b) Discuss **FIVE** examples of ethical or unethical behaviour that could be addressed in an ethical code for procurement professionals. **(8 marks)**
- (c) Explain the main aspects of corporate governance of procurement or supply chain function **(5 marks)**

Question Four

As a purchasing officer in your organization, you are faced with an argument for or against make or buy proposition. Prepare a report to the present CEO giving both reasons for making a product and for buying a product for them to choose the one to implement. **(15 marks)**

Question Five

In reference to Fischer and Ury, discuss various phases of negotiation and negotiation ethics **(15marks)**

Question Six

Analysing the supply market is one of the key pre-contract stages in the sourcing process. Outline **FIVE** possible sources of information for finding potential suppliers at this stage of the sourcing process.

(15 marks)