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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY  
UNIVERSITY EXAMINATION, 2016/2017 ACADEMIC YEAR  
DIPLOMA IN BUSINESS ADMINISTRATION**

**DBA 016 - PRINCIPLES OF PURCHASING**

Date: 15<sup>th</sup> August, 2016.  
Time: 3.30pm – 5.30pm

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- a) Define the term organizational purchasing. (3 Marks)
- b) Explain the three categories of organizational buyers. (7 Marks)
- c) State and explain any five methods of purchasing. (10 Marks)
- c) The status of purchasing function within a particular organization is indicated by structural and influential factors; which are these factors explain? (10 Marks)

**QUESTION TWO (20 MARKS)**

- a) What is the classic definition of the overall purchasing task? (3 Marks)
- b) State and explain the objectives of purchasing. (7 Marks)
- c) A system is healthy as in balance when the entire sub stems work together to achieve the corporate objectives of the organization. State and explain four departments that work closely with purchasing department. (10 Marks)

**QUESTION THREE (20 MARKS)**

- a) Which are the five basic documents used in the purchasing department. Explain each one of them. (10 Marks)
- b) Apart from files of requisition purchase orders and other original documents, which are the other records that are kept in purchasing department, explain. (10 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Explain the statement that purchasing objectives may be both general and specific. (10 Marks)
- b) Explain the statement that purchasing objectives may be both general and specific. (10 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Write short note on the following;
- i) Simultaneous preparation of forms
  - ii) Combining or eliminating forms
  - iii) Simplified procedure for small value orders