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KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
FIRST YEAR, SECOND SEMESTER EXAMINATION
FOR THE DIPLOMA IN PROCUREMENT & SUPPLIES
MANAGEMENT

DPS 1302: PURCHASING MANAGEMENT

Date:19THApril,2024

Time:8.30AM-10.30AM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

You have been appointed to lead the purchasing department at Company JCZ, a soap manufacturing company. One of your key responsibilities involves managing supplier relationships and fostering collaboration.

- a) Provide **THREE** strategies you will use to ethically engage with suppliers to achieve mutually beneficial outcomes. **(6 Marks)**
- b) Highlight 6 negotiation skills you will employ during purchasing and contract negotiation. **(6 Marks)**
- c) Explain **THREE** types of suppliers you are likely to engage as you source for JCZ Company. **(6 Marks)**
- d) The management of company JCZ has decided to centralize its purchasing function. Highlight the factors that may have influenced such a decision. **(6 Marks)**
- e) Write short notes on the following terms:
 - i. Pareto rule **(2 Marks)**
 - ii. Failure models and effect analysis **(2 Marks)**
 - iii. Quality **(2 Marks)**

QUESTION TWO (20 MARKS)

- a) Many organisations prefer to enter into long term contractual relationships with their supplier. Explain the benefits that may accrue to organisations from such relationships **(6 Marks)**
- b) Highlight the benefits that may accrue to a company from undertaking quality assurance activities. **(6 Marks)**
- c) What are the reasons behind the preference of many Kenyan organizations to purchase in small quantities rather than opting for bulk buying? **(8 Marks)**

QUESTION THREE (20 MARKS)

- a) Explain any 4 types of quality standards that organizations can adopt and adhere to. **(8 Marks)**
- b) Explain three reasons for considering purchasing ethics as key in purchasing management. **(6 Marks)**
- c) You have been assigned the task of evaluating the supplier performance in your organisation. Explain the factors you would consider when carrying out this task. **(6 Marks)**

QUESTION FOUR (20 MARKS)

- a) Explain the factors that may motivate procurement staff to be involved in unethical behaviour while carry out their duties in an organisation. **(6 Marks)**
- b) A purchasing contract confers certain rights and obligations to both the purchaser and the supplier. Examine the rights of the parties. **(6 Marks)**
- c) Various approaches and methods are used by businesses to set the prices of their products or services. Discuss any FOUR pricing strategies. **(8 Marks)**

QUESTION FIVE (20 MARKS)

- a) Single source procurement is a non-competitive method that should only be used under specific circumstances. Highlight these circumstances. **(6 Marks)**
- b) Examine the composition of a negotiating team in purchasing management. Examine the composition of a negotiating team in purchasing management. **(6 Marks)**
- c) Oligopoly is one of the market structures in a business environment. Highlight the implications of the market structure on the purchasing function. **(8 Marks)**