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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2020/2021 ACADEMIC YEAR**  
**FOURTH YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

Date: 18<sup>th</sup> December, 2020

Time: 8.30am – 10.30am

**KPS 401 - PURCHASING ETHICS**

**INSTRUCTIONS TO CANDIDATES**

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

**QUESTION ONE (30 MARKS)**

- a) Define the term business ethics. (2 Marks)
- b) Describe the importance of a Code of Ethics in a purchasing organization (3 Marks)
- c) Explain the reasons why the confidentiality principle is an important ethical issue in purchasing and supplies management. (4 Marks)
- d) Outline four measures that purchasing personnel should do when faced with a Conflict of Interest during the purchasing process. (4 Marks)
- e) Explain an ethical dilemma in a purchasing organization. (2 Marks)
- f) Examine the four major moral concerns that are universally accepted and applied in purchasing environment to drive better performance. (4 Marks)
- g) Differentiate between accountability from transparency as business ethical principles. (4 Marks)
- h) Explain what is ethical sourcing in purchasing functions. (3 Marks)
- i) State four uses of ethics. (4 Marks)

**QUESTION TWO (20 MARKS)**

- a) Discuss five reasons why ethics are important in organizations and purchasing environment (10 Marks)
- b) Describe five benefits of a good values driven purchasing environment. (10 Marks)

**QUESTION THREE (20 MARKS)**

- a) Discuss seven ethical principles that purchasing personnel should always uphold in an organization. (14 Marks)
- b) Explain six indirect approaches of corruption in purchasing processes. (6 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Discuss the role of ethics in supply chain management. (10 Marks)
- b) Evaluate five ways of developing an ethical culture in purchasing and supplies management (10 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Discuss five ethical terms that form the foundation of trust upon which ethical business practices are built in. (10 Marks)
- b) Describe five challenges that purchasing department experience as they conduct their business operations (10 Marks)

