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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY  
UNIVERSITY EXAMINATION, 2019/2020 ACADEMIC YEAR  
FIRST YEAR, SECOND SEMESTER EXAMINATION  
FOR THE DEGREE OF BACHELOR OF SCIENCE  
BUSINESS ADMINISTRATION**

Date: 10<sup>th</sup> December, 2019  
Time: 11.00am – 1.00pm

**KPS 100 - PRINCIPLES OF PURCHASING**

**INSTRUCTIONS TO CANDIDATES**

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

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**QUESTION ONE (30 MARKS)**

- a) Describe the ordering phase in the purchasing procedure. (4 Marks)
- b) Purchasing as a function has undergone various stages of evolution over the past few centuries. Describe the process centered and relational centered stages. (8 Marks)
- c) Describe the following terms as used in purchasing;
- i) Adversarial negotiation (2 Marks)
  - ii) Single sourcing (2 Marks)
  - iii) Open tendering (2 Marks)
  - iv) Supplies management (2 Marks)
  - v) Direct procurement (2 Marks)
- d) Explain the objectives that a well developed purchasing function seeks to achieve. (8 Marks)

**QUESTION TWO (20 MARKS)**

- a) The product stage in evolution of procurement emphasizes on the five rights of procurement. Discuss these five rights. (10 Marks)
- b) Discuss the post- ordering phase in the purchasing procedure. (10 Marks)

**QUESTION THREE (20 MARKS)**

- a) Modern purchasing differs from traditional purchasing in a number of aspects. Summarize these differences. (12 Marks)
- b) Discuss the factors to consider during suppliers assessment and appraisal. (8 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Negotiation is the formal exchange between the procuring entity and suppliers intended to create a good relationship. Discuss the three major phases of negotiation. (12 Marks)
- b) Explain the two major structures that supports purchasing functions. (8 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Evaluate any five sourcing methods as used in purchasing. (10 Marks)
- b) Ethics and integrity issues are becoming critical especially in public procurement in Kenya. Discuss any four Ethical issues in purchasing. (10 Marks)