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**KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR**  
**SECOND YEAR, SECOND SEMESTER EXAMINATION**  
**FOR THE DIPLOMA IN PROCUREMENT AND SUPPLIES MANAGEMENT**  
**DPS 1302-PURCHASING MANAGEMENT**

Date: 15<sup>th</sup> December 2023  
Time: 8.30am -10.30am

**INSTRUCTIONS TO CANDIDATES:**

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

**QUESTION ONE (30 MARKS)**

- a) Peter, a buyer with Nikita Corporation is entering into a purchase contract for the construction of a new wing to accommodate the Executive wing. Peter is apprehensive of what could happen if the supply failed to deliver the building based on the specifications as outlined by the technical team. Peter wants to ensure that Nikita has a written contract with the contractor. Explain Benefits of a written contract that Nikita will enjoy ( 8 Marks)
- b) Martha, the Chief Procurement Officer wants to convince the management to consider the purchasing department for the strategic role that purchasing is playing within the company. Discuss SIX Importance of Purchasing and supply functions that Martha needs to discuss with management ( 6 Marks)
- c) Canan Ltd intends to mount an aggressive marketing to increase the market share of their cashew nuts. Explain SIX determinants of a market structure that Canan needs to consider in their marketing campaigns ( 6 Marks)
- d) Describe FIVE ways in which benchmarking technique may enhance quality assurance in supply chain process of Mark Alleys Ltd ( 5 Marks)
- e) Mark Alleys has recently employed a new Total Quality Management System. Discuss FIVE benefits of Total Quality Management that Mark Alleys will enjoy from this investment (5 Marks)

**QUESTION TWO(20 MARKS)**

- a) Mars Ltd is evaluating the different purchasing structures that might be suitable for their organization. Discuss FOUR factors that Jane the Chief Procurement Officer needs to consider when devising internal structure of the purchasing department (8 Marks)
- b) Killion, a buyer wants to source for new suppliers to improve his supplier base. Discuss Sources of information relating to potential (8 Marks)
- c) Kenneth the Quality Assurance Manager of the Kenbrook is preparing a Board Paper on Total Quality Management. Outline FOUR benefits of Total Quality Management that Kenneth should include in the Board Paper (4 Marks)

**QUESTION THREE (20 MARKS)**

- a) Jules Ltd have partnered with Make Up Enterprises who have historically supplied all their raw materials over the years. They have enjoyed so many benefits of using the single supplier as the single source of their raw materials. Discuss the disadvantages of single sourcing that Jules might be experiencing without their knowledge (8 Marks)

- b) Jules wants to develop their local suppliers in order to carry out local sourcing. Explain ways in which Jules can develop a supplier (8 Marks)
- c) Discuss ways in which Jules can use bench marking to enhance quality assurance in supply chain management (4 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Chemlaps ltd wants to have a strategic partnership through supplier development. Discuss benefits of supplier Development that Chemlaps will enjoy (8 Marks)
- b) Explain factors that Chemlap must consider in selection of suppliers for development (8 Marks)
- c) Describe EIGHT Sources of information relating to potential suppliers (4 Marks)

**QUESTION FIVE (20 MARKS)**

Sultani Ltd is unable to source their raw materials locally since the local suppliers can not supply the quality of raw materials required. The recent global supply chain disruptions have not helped matters for Sultani. The supply chain manager has been asked to write a Board Paper on local supplier development.

- a) Explain FOUR reasons for supplier Development that the Supply Chain Manager should include in his paper. (8 Marks)
- b) Discuss FOUR Source Selection considerations that Sultani should make when sourcing for their raw materials (8 Marks)
- c) Discuss barriers to supplier development that Sultani should be aware of in his supplier development strategies (4 Marks)