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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2020/2021 ACADEMIC YEAR
CERTIFICATE IN PROCUREMENT AND SUPPLIES MANAGEMENT
CPS 016 - PRINCIPLES OF PURCHASING AND SUPPLIES MANAGEMENT**

Date: 16th December, 2020.
Time: 8.30AM-10.30AM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

In any organization procurement spends almost 70% of the entire budget. It thus means that it has to be carried out under strict discipline for the organization to get value for money.

- What can an organization achieve as a result of practicing an effective procurement system? (10 Marks)
- What are the implications of an inefficient procurement system? (10 Marks)
- Identify and explain five good procurement practices that can make an organization get value for money. (10 Marks)

QUESTION TWO (20 MARKS)

In December 2019, John Roberts, a senior government minister, caused controversy when, in a speech to businessmen, he appeared to advocate for the late payment of suppliers' invoices as a legitimate means of easing cash flow.

- What are the problems created by this practice from the procurement point of view? (10 Marks)
- What are the solutions to the above problem to enhance a good supplier relations? (10 Marks)

QUESTION THREE(20 MARKS)

“Quality is free but it’s not a gift”.

- Do you agree with this statement and what do you believe is meant by it. (8 Marks)
- Identify some of the practical measures which procurement can take in order to improve quality in the first instance and maintain it in the longer term. (12 Marks)

QUESTION FOUR (20 MARKS)

- Explain why supplier selection is frequently considered the most important activity in the procurement function. (10 Marks)
- Identify five methods of procurement and briefly explain advantages of using each of them. (10 Marks)

QUESTION FIVE (20 MARKS)

- What is negotiation and briefly explain at least five benefits of a good negotiation? (12 Marks)
- Discuss the role of code of work ethics in modern procurement practices. (8 Marks)