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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 CERTIFICATE IN PROCUREMENT & SUPPLY CHAIN
MANAGEMENT
CPS 019: PRACTICE AND TECHNIQUES OF PURCHASING

Date: 11TH April, 2024
Time: 11.30AM-1.30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Rock Company Limited has been experiencing increasing ordering costs. Highlight measures which the company may take to minimize such costs. **(6 Marks)**
- b) Elaborate on the potential benefits of using procurement plan in the procurement of materials requirements in the public sector **(6 Marks)**
- c) Discuss factors which may influence an organization to use the restricted tendering method when sourcing for material requirements? **(6 Marks)**
- d) State the types of costs associated with storage of goods in a warehouse? **(6 Marks)**
- e) Explain advantages to an organization of maintaining a list of approved suppliers for its material and requirements. **(6 Marks)**

QUESTION TWO (20 MARKS)

- a) Outline factors that have contributed to growth of commerce **(6 Marks)**
- b) Ombo Company limited uses a third-party certification organization to inspect its materials. Explain five benefits that may be derived from adopting this approach. **(8 Marks)**
- c) Explain challenges that an organization may face from using advance payment methods in managing purchasing contracts. **(6 Marks)**

QUESTION THREE (20 MARKS)

- a) What is the importance of Information Technology in Purchasing operations. **(8 Marks)**
- b) Explain the role of user department in the procurement process in the public entity? **(6 Marks)**
- c) Describe the procurement cycle with respect to public sector procurement. **(6 Marks)**

QUESTION FOUR (20 MARKS)

- a) Highlight the features of a good material specification. **(5 Marks)**
- b) Highlight the important measures that an organization may take to speed up the time taken to process supplier's payment. **(7 Marks)**
- c) Outline reasons that may influence an organization to train its purchasing staff on specifications of materials. **(8 Marks)**

QUESTION FIVE (20 MARKS)

- a) Purchase order should be authorised before being sent to supplier. Outline the objectives of such authorization. **(6 Marks)**
- b) Highlight five types of information contained in Request for Quotation (RFQ). **(8 Marks)**
- c) Explain the aspects you would consider when evaluating technical capability of a supplier **(6 Marks)**