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**KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR**  
**FIRST YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DIPLOMA IN PROCUREMENT & SUPPLIES**  
**MANAGEMENT**  
**DPS 1404: PURCHASING AND SUPPLY STRATEGY**

Date:16<sup>TH</sup>April,2024  
Time:11.30AM-1.30PM

**INSTRUCTIONS TO CANDIDATES**

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

**QUESTION ONE (30 MARKS)**

- a) Strategic Planning helps in knowing where we are and where we want to go so that environmental threats and opportunities can be exploited. Highlight the benefits of strategic planning. **(6 Marks)**
- b) Explain five forces analysis assumes that there are five important forces that determine competitive power in business situation. Discuss the porter's five forces, **(6 Marks)**
- c) Environmental scanning can also be defined as process that systematically surveys and interprets relevant data to identify external opportunities and threats. Discuss any three tools used to achieve effective strategic implementation. **(6 Marks)**
- d) Resources are always limited and if you don't have clear priorities, you dilute resources chasing the unimportant. Discuss the factors to consider in strategy selection. **(6 Marks)**
- e) Purchasing strategies are aligned with the corporate level strategy. Using examples relevant examples discuss the relationship between purchasing and supply strategy. **(6 Marks)**

**QUESTION TWO (20 MARKS)**

- a) Highlight five decisions that may be made at the business level in the strategic management of an organization? **(6 Marks)**
- b) Explain in which way does supply chain strategy may contribute to the attainment of cost minimization objective in an organization? **(8 Marks)**
- c) Outline five factors that may hinder effective implementation of supply chain policies in an organization. **(6 Marks)**

**QUESTION THREE (20 MARKS)**

- a) An organizational structure is a system used to define a hierarchy within an organization. Discuss importance of organization structure in purchasing and supply. **(8 Marks)**
- b) The objective of supply chain is to enhance value addition as well as increasing customer satisfaction. Explain the importance of supply chain management on in the context of strategic management. **(8 Marks)**
- c) What are the five stages of strategic management process? **(4 Marks)**

**QUESTION FOUR (20 MARKS)**

- a) Compare and contrast the difference between centralized and decentralized purchasing while including both the advantages and disadvantages on both the approaches. **(6 Marks)**
- b) Strategic management takes place at three levels in an organization. Highlight five types of strategic decision made at the corporate level. **(8 Marks)**
- c) Discuss the significance of performance measurement in the context of purchasing and supply strategy. **(6 Marks)**

**QUESTION FIVE (20 MARKS)**

- a) Explain five ways in which the purchasing and supply function could be used to reduce inventory costs in an organization with a strategy of cost leadership. **(6 Marks)**
- b) Highlight the role of strategic management in purchasing and supplies management. **(8 Marks)**
- c) Explain factors that may account to failure of an organization to evaluate the performance of its supply chain function. **(6 Marks)**