



## GARISSA UNIVERSITY

UNIVERSITY EXAMINATION **2017/2018** ACADEMIC YEAR **TWO**  
**FIRST** SEMESTER EXAMINATION

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 228

COURSE TITLE: INTRODUCTION TO PURCHASING AND SUPPLIES

EXAMINATION DURATION: 3 HOURS

**DATE: 11/12/17**

**TIME: 09.00-12.00 PM**

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### INSTRUCTION TO CANDIDATES

- The examination has SIX (6) questions
- Question ONE (1) is COMPULSORY
- Choose any other THREE (3) questions from the remaining FIVE (5) questions
- Use sketch diagrams to illustrate your answer whenever necessary
- Do not carry mobile phones or any other written materials in examination room
- Do not write on this paper

This paper consists of TWO (2) printed pages

*please turn over*



### QUESTION ONE (COMPULSORY)

- (a) Subcontracting is a recommended strategy for the provision of goods, services and works which an individual or an organization does not possess the core competencies in. As a procurement officer, discuss the measures that should be taken to ensure the effectiveness of subcontracting **[10 marks]**
- (b) Define green procurement and outline key areas in which organizations can achieve green procurement. **[10 marks]**
- (c) Highlight the methods used to dispose unserviceable, surplus and obsolete stores as recommended by the Public Procurement and Disposal Act **[5 marks]**

### QUESTION TWO

- (a) Purchasing is a function that is particularly vulnerable to fraud. Fraud is not necessary restricted to those with the title purchasing officer but may involve anyone in direct contact with suppliers. Discuss any 5 examples of supplies-related fraud **[10 marks]**
- (b) Explain the benefits of Supplier Relationship Management to an organization **[5 marks]**

### QUESTION THREE

- (a) Define specification and explain four methods of specifications used in purchasing **[5 marks]**
- (b) Global sourcing is the practice of sourcing from the global/international market for goods and services across geopolitical boundaries. Discuss some key disadvantages of global sourcing **[10 marks]**

### QUESTION FOUR

- (a) Explain 5 benefits of E- procurement in and organization **[5 marks]**
- (b) Explain the information checked when appraising suppliers from the perspective of Human Resources **[10 marks]**

### QUESTION FIVE

- (a) Define EDI and briefly highlight how it operates **[5 marks]**
- (b) Supplier base relates to the number, range, location and characteristics of the vendors that supply the purchaser. Discuss the possible risks of a reduced supplier base **[10 marks]**

### QUESTION SIX

- (a) Explain the major business transformations in purchasing and supply chain management **[7 marks]**
- (b) Strategic sourcing is concerned with top level long term decisions, outline any 8 such decisions **[8 marks]**

