



GARISSA UNIVERSITY

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

SUPPLEMENTARY/SPECIAL 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: 22/03/18

TIME: 09.00-12.00 PM

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 explain 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 seven major business transformations in purchasing and supplies management [7 marks]
- (b) Strategic sourcing is concerned with top level long term decisions, outline any 8 such decisions [8 marks]

