



## **GARISSA UNIVERSITY COLLEGE**

*(A Constituent College of Moi University)*

**UNIVERSITY EXAMINATION 2016/2017 ACADEMIC YEAR THREE  
SECOND SEMESTER EXAMINATION**

**SUPPLEMENTARY/SPECIAL EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 340**

**COURSE TITLE: PURCHASING MANAGEMENT**

**EXAMINATION DURATION: 3 HOURS**

**DATE: 27/09/17**

**TIME: 2.00-5.00 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) Discuss why companies would choose to outsource some function and the benefits associated with outsourcing the functions **[10 marks]**
- (b) Discuss the major risks associated with outsourcing **[5 marks]**
- (c) Part of the sourcing decision involves determining whether to purchase a part from an outside supplier or produce the part internally. This is typically known as a make-or-buy decision. Discuss the various reasons in favor of buying from suppliers and making internally **[10 marks]**

### **QUESTION TWO**

- (a) Explain the role played by governments in promoting international trade in their countries **[10 marks]**
- (b) Highlight and explain any 5 documents used in international purchasing **[5 marks]**

### **QUESTION THREE**

- (a) Discuss the benefits of Supplier Relationship Management to an organization **[10 marks]**
- (b) Highlight the reasons that would necessitate the need for supplier evaluation **[5 marks]**

### **QUESTION FOUR**

- (a) Discuss the ethical guiding principles in purchasing and supplies that every purchasing officer needs to be aware of **[10 marks]**
- (b) Briefly describe the major trends and transformations in purchasing management **[5 marks]**

### **QUESTION FIVE**

- (a) Using relevant examples, briefly discuss the main types of e-procurement **[10 marks]**
- (b) Highlight the main benefits that accrues to a firm that adopts e – procurement **[5 marks]**

### **QUESTION SIX**

- (a) Define specification and explain four methods of specifications used in purchasing **[5 marks]**
- (b) Briefly explain the procurement process **[10 marks]**

