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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2017/2018 ACADEMIC YEAR FOUR**

**THIRD SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

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

**COURSE CODE: BBM 446**

**COURSE TITLE: INTERNATIONAL PURCHASING**

**EXAMINATION DURATION: 3 HOURS**

**DATE: 07/08/18 TIME: 2.00-5.00 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)**

1. Define the following
2. International Purchasing **[2 marks]**
3. Global sourcing **[2 marks]**
4. Negotiations **[2 marks]**
5. reciprocal purchasing **[2 marks]**
6. Describe the phases of negotiation **[5 marks]**
7. Describe the costs related to global sourcing **[12 marks]**

**QUESTION TWO**

1. Describe some of the reasons why governments implement tariffs **[5 marks]**
2. Discuss the benefits of international purchasing to an organization **[10 marks]**

**QUESTION THREE**

1. Define a letter of credit **[2 marks]**
2. State some of the ways of locating international suppliers **[5 marks]**
3. State and explain the four main types of letters of credit **[8 marks]**

**QUESTION FOUR**

Discuss the major types of counter trade an organization can be involved in **[15 marks]**

**QUESTION FIVE**

1. State the ways in which purchasing can contribute to counter trade **[3 marks]**
2. Discuss the rights of global logistics **[12 marks]**

**QUESTION SIX**

1. Describe the ways in managing ethical issues in global purchasing **[5 marks]**
2. Discus ethical issues associated with international purchasing **[10 marks]**