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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR ONE**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE CERTIFICATE IN BUSINESS MANAGEMENT**

**COURSE CODE: CBM 10**

**COURSE TITLE: PRINCIPLES OF PURCHASING AND SUPPLIES**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 17/08/2021 TIME: 12.00-2.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) 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 terms
2. Purchasing (2 marks)
3. Procurement (2 marks)
4. Specification (2 marks)
5. Negotiation (2 marks)
6. State and explain 5 Function and Responsibilities in purchasing (5 marks)
7. State and explain six major principles used in purchasing (12 marks)
8. Explain the objective of store keeping (5 marks)

**QUESTION TWO**

1. Decentralization is one of the approaches that an organization may use to organize its stores. Explain the advantages and disadvantages in this approach (10 marks)
2. There are several types of specification state and explain five of them (5 marks)
3. Explain the purpose of specification in procurement/ purchasing (5 marks)

**QUESTION THREE**

1. Explain the steps in the procurement process that should be followed by organization.(10 marks)
2. State and explain reasons for holding stock in an organization (10 marks)

**QUESTION FOUR**

1. Explain the reason/benefit that lead someone to outsource (10 marks)
2. Highlights factors consider before an organization/company outsource (10 marks)

**QUESTION FIVE**

1. State and explain the adopted procedure when making purchase for an organization**. (**10 Marks)
2. State and explain document involve during purchase procedure in organization (10 marks)