

BBM 210: INTRODUCTION TO PURCHASING AND SUPPLIES MANAGEMENT

SUPPLEMENTARY/SPECIAL EXAM 2010/2011

Instructions to Candidates

- Answer Question ONE and any other THREE question

Question One

You have recently been appointed as the Group Purchasing and Supplies Manager of companies. In the course of discharging your duties and responsibilities, you have realized that the purchasing functions are not well developed in the various companies and that the function ranges from that of a fragmented one to that of a strategic business functions.

- (a) Why has purchasing remained fragmented in some organizations in spite of its long history dating back to 2800 BC. (10 Marks)
- (b) Discuss the rationale of paradigm shift from purchasing as an operational activity to strategic business function. (10 Marks)
- (c) Why are modern day organizations viewing purchasing as an integrated function of supplies management? (10 Marks)
- (d) Suggest areas of performance measurement while taking into account the fact that purchasing is an evolving function. (10 Marks)

Question Two

- (a) Define the term "negotiation" as used in Purchasing and Supplies Management. (5 Marks)
- (b) In any negotiation two goals or objectives should receive consideration. Exhaustively discuss these goals with the aid of relevant examples. (15 Marks)

is a process of communication with objective of reaching an agreement by means, where appropriate, of compromise

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Question Three

Briefly discuss the various areas which warrant particular attention by procurement staff when making appraisal of potential suppliers. (20 Marks)

*Substance
Relationship and goals*

Question Four

- (a) Define the term "a firm's core competencies" (5 Marks)
- (b) Discuss the rationale for outsourcing in a business concern. (15 Marks)

central essential and important technology & performance core tasks being able to

Question Five

With the aid of relevant examples, discuss the factors that influence the supply base of an enterprise. (20 Marks)

substructure explanation of the basic or fundamental reasons for it

Question Six

Discuss ethical consideration in procurement, particularly with special reference to public sector procurement in Kenya. (20 Marks)

*Contracts & reciprocal trading
- International sourcing
- single, multiple or partnership decision
- buy, make, outsource, public custody decision
- co-competition of an enterprise*