



# MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY

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## University Examinations 2015/2016

THIRD YEAR SECOND SEMESTER EXAMINATION FOR DEGREE OF  
BACHELOR OF PURCHASING AND SUPPLIES MANAGEMENT

### BBS 3376: PROCUREMENT MANAGEMENT

DATE: NOVEMBER 2015

TIME: 2 HOURS

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INSTRUCTIONS: Answer question *one* and any other *two* questions

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#### QUESTION ONE (30 MARKS)

- a) Explain the term specification and outline its purpose (6Marks)
- b) Outline the essential elements of a purchasing contract (10Marks)
- c) Explain the difference between the terms single and multiple sourcing (4Marks)
- d) Outline the functions of a purchasing department (5Marks)
- e) Highlight any five indicators of procurement fraud (5Marks)

#### QUESTION TWO (20 MARKS)

- a) Discuss the factors to consider in supplier selection (10Marks)
- b) Identify and discuss types of contracts (10Marks)

#### QUESTION THREE (20 MARKS)

- a) Describe the steps in a typical purchasing cycle (10Marks)
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b) Discuss various categories of ethical issues relating to suppliers (10Marks)

**QUESTION FOUR (20 MARKS)**

a) Discuss the costs associated with quality management (10Marks)

b) Outline the disadvantages of international sourcing (10Marks)

**QUESTION FIVE (20 MARKS)**

a) Discuss the considerations in make or buy decisions (10Marks)

b) Explain any five perspectives of purchasing (10Marks)