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**University Examinations 2015/2016**

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

**BBS 3376: PROCUREMENT MANAGEMENT**

**DATE: AUGUST 2016 TIME: 2HOURS**

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

**QUESTION ONE (30 MARKS)**

1. In the contemporary business environment world class organizations invariably emphasize on proactive procurement. Justify the rationale behind this approach. (6 Marks)
2. Discuss the importance of sustainable procurement in an organization. (6 Marks)
3. “If you cannot measure, you cannot improve”. Discuss this statement in relation to procurement management. (6 Marks)
4. How can the concept of empowerment enhance the ability of procurement function to contribute to the strategic objectives of an organization? (6 Marks)
5. Discuss the significance of value engineering in a new product design in a manufacturing plant. (6 Marks)

**QUESTION TWO (20 MARKS)**

1. World class organizations are replacing quality control concept with quality assurance. Explain the reasons behind this unprecentendent phenomenon. (6 Marks)
2. Discuss the common business ploys applied in procurement especially when negotiating lucrative contracts in the market. (6 Marks)
3. Analyze the influence of contract management on procurement performance in corporate organizations. (8 Marks)

**QUESTION THREE (20 MARKS)**

1. Discuss the contribution of procurement function in acquisition of capital goods. (6 Marks)
2. Explain the building blocks of competitive advantage in procurement function. (8 Marks)
3. In determining whether to institute centralization of decentralization of procurement as a strategy, certain factors can come into focus. Discuss any crucial factors that would favour the adoption of centralization. (6 Marks)

**QUESTION FOUR (20 MARKS)**

1. Much has been written in recent years about the desireability of “partnership relation” between the buyers and suppliers. Justify the rationale behind this approach. (6 Marks)
2. Procurement is a cost factor in supply chains. Explain how procurement process can be re-engineered to lower cost of acquiring products or services from the suppliers. (6 Marks)
3. Analyze the emerging issues in procurement and supplies function. (8 Marks)

**QUESTION FIVE (20 MARKS)**

Write short notes on the following procurement management terms:

1. Demand management (4 Marks)
2. Consortium buying (4 Marks)
3. Cost-benefit analysis (4 Marks)
4. Reverse logistics (4 Marks)
5. Procurement planning (4 Marks)