

**MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY**

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**University Examinations 2015/2016**

FIRST YEAR, FIRST SEMESTER EXAMINATION FOR THE CERTIFICATE IN BUSINESS ADMINISTRATION.

**BBC 1101: PRINCIPLES OF PURCHASING.**

**DATE: AUGUST 2016 TIME: 11/2 HOURS**

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

**QUESTION ONE (30 MARKS)**

1. Explain the following documents as used during purchase process
2. Purchase order (2 marks)
3. Request for quotation (2 marks)
4. Quotation enquiry (2 marks)
5. Consignment note (2 marks)
6. Good’s receipt note (2 marks)
7. What are some of the reasons that make organisations to do global sourcing? (6 marks)
8. Discuss the key responsibilities of a purchasing officer. (6 marks)
9. Differentiate the term purchasing and procurement. (3 marks)
10. Explain the importance of ethics in purchasing. (5 marks)

**QUESTION TWO (20 MARKS)**

1. Discuss five functional areas that interface with purchasing. (10 marks)
2. State and explain factors that influence unethical behaviour in purchasing. (10 marks)

**QUESTION THREE (20 MARKS)**

1. Define the term purchasing. (2 marks)
2. Highlight some of the operational level objectives of purchasing. (8 marks)
3. Single sourcing is an important aspect in the purchasing function where an organisation can achieve bulk discount due to bulk purchases. State some of the disadvantages accrued to single sourcing. (10 marks)

**QUESTION FOUR (20 MARKS)**

1. Define supplier appraisal and give some methods used during supplier appraisal process. (10 marks)
2. Describe the purchasing process. (10 marks)

**QUESTION FIVE (20 MARKS)**

1. Define tendering and discus various types of tenders. (10 marks)
2. What are the factors to consider when buying capital equipment? (10 marks)