**MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**P.O. Box 972-60200 – Meru-Kenya.**

 **Tel: 020-2069349, 061-2309217. 064-30320 Cell phone: +254 712524293, +254 789151411**

**Fax: 064-30321**

**Website:** [**www.mucst.ac.ke**](http://www.mucst.ac.ke) **Email:** **info@mucst.ac.ke**

**University Examinations 2014/2015**

FIRST YEAR, FIRST SEMESTER EXAMINATION FOR DIPLOMA IN BUSINESS ADMISTRATION, DIPLOMA IN PURCHASING AND SUPPLIES MANAGEMENT.

**DPS 0101: PRINCIPLES OF PROCUREMENT**

**DATE: DECEMBER 2014 TIME: 1**$\frac{1}{2}$ **HOURS**

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

**QUESTION ONE (30 MARKS)**

1. With the use of examples discuss any five objectives of supply chain management (10 marks)
2. Explain the following concepts as used in purchasing management (10 marks)
3. Procurement
4. Purchasing
5. Supply chain management
6. Logistics Management
7. Reverse logistics
8. Explain why it is important for purchasing department to have liaison with other departments (5 marks)
9. Highlight any five documents that a procurement officer can use in the procurement process. (5 marks)

**QUESTION TWO (20 MARKS)**

1. Discuss the stages/phases involved in negotiation process (12 marks)
2. Explain with examples any four factors favouring a “make” decisions in an organization (8 marks)

**QUESTION THREE (20 MARKS)**

1. Supplier appraisal can be a time consuming and costly activity. Discuss the situations in which appraisal is essential to an organization (10 marks)
2. Explain the principles of professional ethics that must be observed during procurement process. (10 marks)

**QUESTION FOUR (20 MARKS)**

1. Describe the main stages/steps that are involved in procuring/acquiring goods, services or works from prospective suppliers (10 marks)
2. Identify ways in which a buyer can achieve required quality from a supplier

(10 marks)

**QUESTION FIVE (20 MARKS)**

1. During procurement process negotiation is considered to be paramount. Discuss any five objectives of negotiation. (10 marks)
2. Quality is conformance to requirement and not goodness. Discuss in detail the dimension views of quality (10 marks)