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**University Examinations 2014/2015**

FIRST YEAR, FIRST SEMESTER EXAMINATION FOR CERTIFICATE IN BUSINESS ADMINISTRATION

**CPS 0101: PRINCIPLES OF PURCHASING**

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

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

**QUESTION ONE (30 MARKS)**

1. Discuss five principles of purchasing (10 marks)
2. Briefly explain four specific adjectives of purchasing (8 marks)
3. Describe the purchasing process (12 marks)

**QUESTION TWO (20 MARKS)**

1. Discuss five factors that an enterprise should consider before outsourcing (10 marks)
2. Discuss five advantages of using a cheque as a mode of payment (10 marks)

**QUESTION THREE (20 MARKS)**

Discuss the role of the purchasing officer in the procurement functions (20 marks)

**QUESTION FOUR (20 MARKS)**

1. In industries where huge sums of stores are purchased for production, inspection is of utmost importance. Both quality and quantity are thoroughly inspected. Discuss five objectives of inspection of materials (10 marks)
2. Explain briefly five sources of information about suppliers (10 marks)

**QUESTION FIVE (20 MARKS)**

Briefly explain the following documents as used in purchase procedure

1. Purchase order (4 marks)
2. Purchase requisition (4 marks)
3. Invoice (4 marks)
4. Purchase Enquiry (4 marks)
5. Suppliers Quotation (4 marks)