



MURANG'A UNIVERSITY COLLEGE

(A CONSTITUENT COLLEGE OF JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY)

MAIN EXAMINATION

COURSE NAME: ETHICS IN PURCHASING AND SUPPLIES

UNIT CODE: HPS 2310

DATE: 19TH APRIL 2016

TIME: 2 HOURS

INSTRUCTIONS

1. QUESTION ONE COMPULSARY
2. AND ANY OTHER TWO QUESTIONS
3. CHEATING WILL ATTRACT HEAVY PENALTY

QUESTION ONE

- a. Define the meaning of the word Ethics according to purchasing and supplies (2mrks)
- b. Differentiate between Deontology and Teleology. (6mrks)
- c. what is the difference between Ethics and Law. (2mrks)
- d. Discuss any **five** areas in business where ethics can be applied. (10mrks)
- f. Discuss any **five** ethical issues when organizations engage in corporate social responsibility. (10mrks)

QUESTION TWO

- a. With the help of examples, explain the role and application of ethics in Purchasing and Supplies Management. (10MRKS)
- B. Discuss any **five** ethical dilemmas in modern business environment. (10mrks)

QUESTION THREE

- a. Explain the considerations when developing an ethical culture in purchasing and supplies. (10mrks)
- b. Discuss the impact of corruption on Purchasing and Supplies. (10mrks)

QUESTION FOUR

- a. Discuss the rules and laws governing professional Purchasing and Supplies management. (10mrks)
- b. Explain debarment of person participation in public procurement proceedings according to procurement Act. (10mrks)



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SPECIAL/SUPPLEMENTARY EXAMINATION

COURSE NAME: ETHICS IN PURCHASING AND SUPPLIES

UNIT CODE: HPS 2310

DATE:

INSTRUCTIONS

1. QUESTION ONE COMPULSARY
2. AND ANY OTHER TWO QUESTIONS
3. CHEATING WILL ATTRACT HEAVY PENALTY

- 1.A. Explain the ethical concepts in relation to Purchasing and Supplies management. (10mrks)
- 1.B. discuss any five applications of ethics in Purchasing and Supplies Management. (10mrks)
2. Explain the procedure for development of ethical value systems. (20mrks)
3. Discuss the role of code of work ethics in the organization of your choice. (20mrks)
4. Discuss ethics in the Kenyan society and its impact in national development (20mrks)

1.A. an area of study that deals with ideas about what is good and bad behavior : a branch of philosophy dealing with what is morally right or wrong

1.B

1. Deontology is an approach to ethics which adheres to the theory that an end does not justify the means while teleology is an approach to ethics that adheres to the theory that the end always justifies the means.

2. Deontology is also known as duty-based ethics while teleology is also known as results-oriented ethics.

3. Deontology adheres to the Golden Rule which is to do unto others what you want them to do unto you while teleology does not; rather, it is also referred to as the greatest happiness principle because it justifies an action if it produces the greatest happiness and least amount of pain.

4. Deontology teaches to be fair and not to use others for selfish reasons while teleology teaches about doing whatever actions produce a result that is agreeable to a person.

5. Teleology examines past experiences in order to predict the results of a present action while deontology follows what is morally right based on the values that are instilled in each person

1.C.

1. Ethics are rules of conduct. Laws are rules developed by governments in order to provide balance in society and protection to its citizens.

2. Ethics comes from people's awareness of what is right and wrong. Laws are enforced by governments to its people.

3. Ethics are moral codes which every person must conform to. Laws are codifications of ethics meant to regulate society.

4. Ethics does not carry any punishment to anyone who violates it. The law will punish anyone who happens to violate it.

5. Ethics comes from within a person's moral values. Laws are made with ethics as a guiding principle.

1.D.

1. Production

2. Sales and marketing

3. Human Resource Management

4. Finance

5. Intellectual property

2. ROLE OF ETHICS IN PURCHASING

- **Perceived Impropriety:** Prevent the intent and appearance of unethical or compromising conduct in relationships, actions, and communications.

- **Conflicts of Interest:** Ensure that any personal, business, or other activity does not conflict with the lawful interests of your employer.

- **Issues of Influence:** Avoid behaviors or actions that may negatively influence, or appear to influence, supply management decisions.
 - **Responsibilities to Your Employer:** Uphold fiduciary and other responsibilities using reasonable care and granted authority to deliver value to your employer.
 - **Supplier and Customer Relationships:** Promote positive supplier and customer relationships.
 - **Sustainability and Social Responsibility:** Champion social responsibility and sustainability practices in supply management.
 - **Confidential and Proprietary information:** Protect confidential and proprietary information.
 - **Reciprocity:** Avoid improper reciprocal agreements.
 - **Applicable Laws, Regulations, and Trade Agreements:** Know and obey the letter and spirit of laws, regulations, and trade agreements applicable to supply management.
- Build trust internally and externally;
 - Increase awareness of key ethical issues; Stimulate and legitimize ethical dialogue;
 - Build consensus around vital issues;
 - Guide decision-making;
 - Encourage staff to seek advice;
 - Foster the reporting of misconduct and related concerns; and
 - Clarify where employees should go to seek advice

2. B.

1. Personal buying
2. Accepting supplier favors
3. Conflict of interest
4. Pressure from employer
5. Whistle blowing

3. A.

Fair-trade

Ethical trading

Ethical sourcing

Social accountability

Social auditing

Corporate social responsibility

Corporate citizenship

Codes of conduct

Reputation assurance

Integrity

Professionalism

Declaration of interest

Confidentiality and accuracy of information

Fair competition

3. B.

Inefficiency

Lost resources

Weakened development

Increased crimes

Weakened reputation

4. A.

Invitation for bidding

Public notice of the invitation to bid

Public opening and announcement of all bids

Evaluation of bids

Award of the lowest responsive and responsible bidder

4. B.

Has committed an offence under the procurement Act

Has committed an offence relating to procurement

Has breached a contract for a procurement by a public entity

Has in procurement proceeding, given false information about his qualifications

Has refused to enter into a written contract as required under section 68 of the procurement Act