**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.must.ac.ke**](http://www.must.ac.ke) **Email:** **info@must.ac.ke**

**University Examinations 2016/2017**

SECOND YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF

 COMMERCE

 **BBS 3278: PROCUREMENT & LOGISTIC MANAGEMENT**

**DATE: DECEMBER 2016 TIME: 2HOURS**

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

**QUESTION ONE (30 MARKS)**

1. Explain the distinction between purchasing and procurement (6 marks)
2. There are various methods of procurement but in public entities open tendering is given greatest emphasis. Explain (10 marks)
3. What factors should a procuring entity consider in the choice of a logistics provider for imported goods (10 marks)
4. Explain the possible dangers of overstocking (4 marks)

**QUESTION TWO (20 MARKS)**

 Unlike purchasing procurement is a process and not a one spot activity. Discuss the various stages involved (20 marks)

**QUESTION THREE (20 MARKS)**

1. Supplier sourcing and selection is a critical stage in the procurement function. What are the key areas of consideration during supplier appraisal (10 marks)
2. Procuring of low quality products is the greatest risk in business. Discuss (10 marks)

**QUESTION FOUR (20 MARKS)**

1. What factors should be considered in the choice of an efficient logistics provider

(10 marks)

1. Explain reasons why open tendering is given greatest emphasis in public procurement

(10 marks)

**QUESTION FIVE (20 MARKS)**

1. Explain how the following procurement procedures, are carried out
2. Open tendering (8 marks)
3. Request for quotations (6 marks)
4. Direct procurement (6 marks)