



MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2012/2013

SECOND YEAR SECOND SEMESTER EXAMINATIONS FOR THE DIPLOMA IN BUSINESS ADMINISTRATION (CITY CAMPUS)

ADB 0135: INTERNATIONAL PROCUREMENT

Date: 19th July, 2013

Time: 9.00 – 11.00 a.m.

INSTRUCTIONS:

1. Attempt Question ONE and any other TWO questions.
2. Question one carries 30 marks, the rest 20 marks each.

QUESTION ONE (30 MARKS) COMPULSORY

- a) Environmental scanning is an important step when the buyer wants to formulate supply chain strategies. Explain the implication of environmental factors when formulating these strategies. (8marks)
- b) Explain any three levels of strategy in an organization. (12marks)
- c) Counter trade is one of the approaches of global sourcing. Evaluate the possible benefits that would accrue a party engaging in counter trade arrangements. (10marks)

QUESTION TWO (20 MARKS)

- a) Explain the meaning of the following INCOTERMS
- i) EXW – Ex Works (2marks)
 - ii) FAC – Free Alongside Carrier (2marks)
 - iii) CIP – Carriage Insurance Paid (2marks)
 - iv) DDU – Delivery Duty Unpaid (2marks)
- b) Many buyers are reluctant to purchase from overseas markets due to the challenges they may encounter unlike if they were buying from the domestic market. Evaluate some of these challenges. (12marks)

QUESTION THREE (20 MARKS)

- a) Highlight the types of information sources available to a buyer who wishes to locate potential international suppliers. (14marks)
- b) Explain three advantages of the multiple attribute utility theory (MUAT) in evaluating and selecting Global suppliers. (6marks)

QUESTION FOUR (20 MARKS)

Discuss the responsibilities of supply chain managers with regard to strategic management. (20marks)

QUESTION FIVE (20 MARKS)

a) Describe Porter's concept of generic strategies as a theoretical framework for making strategic choices. (10marks)

b) Briefly explain FIVE principle documents (shipping documents) used in international trade. (10 marks)