



# MERU UNIVERSITY COLLEGE OF SCIENCE & TECHNOLOGY

P.O. Box 972-60200 Meru - Kenya. Tel: 020-2092048, 020 2069349  
Fax: 020-8027449

---

## University Examinations 2011/2012

### FIRST YEAR, FIRST SEMESTER EXAMINATIONS FOR THE DEGREE OF BACHELOR OF PURCHASING AND SUPPLIES MANAGEMENT

#### HPS 2104: SUPPLIES AND MATERIALS MANAGEMENT I

**DATE: APRIL 2012**

**TIME: 2 HOURS**

---

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

---

#### QUESTION ONE (30 MARKS)

- a. Explain the importance of using high quality raw materials in production (6 Marks)
- b. Highlight the techniques used in determining the demand for materials in an organization (6 Marks)
- c. Discuss the methods used in costing materials in an organization (6 Marks)
- d. Highlight the criteria for material specifications (6 Marks)
- e. Highlight the key characteristics of a good stores management (6 Marks)

#### QUESTION TWO (20 MARKS)

- a. Distinguish between capital and revenue purchases (6 Marks)
- b. Explain the importance of carrying out stores audit (14 Marks)

#### QUESTION THREE (20 MARKS)

- a. Discuss the factors that should be considered when purchasing capital equipments (10 Marks)
- b. What are the possible indicators of un ethical behavior in sourcing (10 Marks)

#### QUESTION FOUR (20 MARKS)

- a. Highlight the benefits of operating a store that is well organized (10 Marks)
- b. Discuss the steps you would take when making a material budget (10 Marks)

**QUESTION FIVE (20 MARKS)**

- a. Discuss the criteria for analyzing tender documents (8 Marks)
- b. Explain the importance of creating a good relationship with suppliers (12 Marks)