**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2017/2018**

**YEAR 1 SEMESTER 1 EXAMINATIONS FOR THE DEGREE OF BACHELOR OF SCIENCE IN ENTERPRENEURSHIP**

**HPS 2101: PRINCIPLES OF PROCUREMENT**

**DATE: JANUARY 2018 TIME: 2 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE**

In an organization procurement spends almost 70% of the entire budget. It thus means it has to be carried out under strict discipline for the organization to get value for money.

1. What can an organization achieve as a result of practicing an effective procurement system? [10marks]
2. What are the implications of an ineffective procurement system? [10 marks]
3. Identify and explain five good procurement practices that can make an organization get value for money. [ 10 marks]

**QUESTION TWO**

In December 2016, John Roberts, a senior government minister, caused controversy when, in a speech to businessmen, he appeared to advocate for the late payment of suppliers’ invoices as a legitimate means of easing cash flow.

1. What are the problems created by this practice from the procurement point of view? [10 marks]
2. What are the solutions to the above problems to enhance good supplier relations? [10 marks]

**QUESTION THREE**

“Quality is free but it’s not a gift”

1. Do you agree with this statement and what do you believe is meant by it. [8 marks]
2. Identify some of the practical measures which procurement can take in order to improve quality in the first instance and maintain it in the longer term. [12 marks]

**QUESTION FOUR**

1. Explain why supplier selection is frequently considered the most important activity in the procurement function. [10 marks]
2. Identify the five methods of procurement and briefly explain the advantages of using each of them. [10 marks]

**QUESTION FIVE**

1. What is negotiation and briefly explain at least five benefits of a good negotiation? [12 marks]
2. Discuss the role of code of work ethics in modern procurement practices. [8 marks]