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PUBLIC PROCUREMENT
AND FINANCE

July 2016

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN SUPPLY CHAIN MANAGEMENT

MODULE II

BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE
EXAMINATIONS

PUBLIC PROCUREMENT AND FINANCE

3 hours

INSTRUCTIONS TO CANDIDATES

*This paper consists of SEVEN questions.
Answer any FIVE questions in the answer booklet provided.
All questions carry equal marks.
Candidates should answer the questions in English.*

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- (a) A dispute has arisen between a buyer and a supplier in relation to the performance of a contract which has since been taken to the Court of law. Highlight the options available to the Court in resolving the dispute. (10 marks)
- (b) Highlight the role of the National Treasury in public procurement as stipulated in the Public Procurement and Asset Disposal Act, 2015. (10 marks)
- (a) As a supply chain officer, you have been directed to constitute a negotiation team for Pole county. Outline the criteria you would use in selecting members of the negotiation team. (10 marks)
- (b) Highlight the benefits that may accrue to a public entity from developing a procurement manual for its operations. (10 marks)
- (a) A procuring entity which entered into a contract with a supplier has decided to terminate the contract. Explain the reasons which may account for the termination of the contract. (10 marks)
- (b) Outline the types of information that a supply chain officer would enter in a tender document. (10 marks)
- (a) An organization intends to implement an E-procurement system to enhance its procurement operations. Highlight the security measures that the organization should institute in order to use the system effectively. (10 marks)
- (b) The Government of Utawala county has been financing its projects by borrowing from the local financial market. Highlight the disadvantages to the Government of borrowing from the local financial market. (10 marks)
- (a) Explain the benefits that the Government of Kenya derives from budgeting for its development projects. (10 marks)
- (b) ✓ As a member of an inspection and acceptance committee, explain the criteria that the committee may use while undertaking its tasks. (10 marks)
- (a) The Ministry of Roads has embarked on the project of building roads through the Build Own Operate and Transfer (BOOT) strategy. Highlight the advantages to the Ministry of using this strategy. (10 marks)
- (b) The Enterprise Resource Planning is one of the E-procurement tools that public sector organizations may use in managing their supply chain operations. Explain the factors that a public sector organization may consider before introducing the system. (10 marks)

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- (a) Highlight the challenges which Kenya Revenue Authority (KRA) may face while collecting taxes for the Government. (10 marks)
- (b) Explain the criteria that a county government may use in determining its projects' expenditure during a given financial year. (10 marks)

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