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**University Examinations 2014/2015**

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF PURCHASING AND SUPPLIES MANAGEMENT

**BBS 3425: INTERNATIONAL PURCHASING**

 **DATE: AUGUST 2015 TIME: 2HOURS**

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

**QUESTION ONE (30 MARKS)**

1. In Kenya over 70% of the supplies is sourced from abroad and yet there is great emphasis on the support for local manufacturers
2. What factors might have let to this increase of imports (6 Marks)
3. What are the economic dangers in overdependence in imports (6 Marks)
4. Discuss the various sources of information on global markets (6 Marks)
5. What are the key barriers to international sourcing (8 Marks)
6. Explain reasons why countries engage in counter trade (4 Marks)

**QUESTION TWO (20 MARKS)**

1. Assume you have been called upon to assist in the purchase of a Capital Asset that is not locally available in Kenya. How would you go about it (12 Marks)
2. What factors would you consider in the choice of a suitable logistics provider in global procurement (8 Marks)

**QUESTION THREE (20 MARKS)**

State and explain any five documents used in global procurement (20 Marks)

**QUESTION FOUR (20 MARKS)**

1. Importing and exporting are two sides of the same coin. In the context of context of Counter Trade justify this statement (10 Marks)
2. Explain how an organization can have a competitive advantage through global sourcing (10 Marks)

**QUESTION FIVE (20 MARKS)**

1. What are incoterms (4 Marks)
2. Explain the importance of incoterms in global sourcing (6 Marks)
3. Mr. Kamau whose business is located in Kenya intends to buy some goods for the business from U.K. but is unable to make a choice on the most appropriate incoterms. What advice would you give him and on what grounds (10 Marks)