



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**THIRD YEAR SECOND SEMESTER EXAMINATION FOR THE
DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION WITH
INFORMATION TECHNOLOGY**

MAIN CAMPUS

ABA 344: ETHICS IN PURCHASING AND SUPPLIES

Date: 15th June, 2017

Time: 3.30 - 6.30pm

INSTRUCTIONS:

- Answer Question ONE and any other THREE



Question One - Compulsory (25 marks)

- a) Define the term ethical procurement. (1 mark)
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- ~~b) Differentiate between collusion and coercion as types of corruption. (2 marks)~~
- c) Identify and explain the potential warning signs of unethical practices in purchasing. (6 marks)
- d) Discuss ethical issues relating to suppliers. (8 marks)
- e) Explain some of the tools and mechanisms that may be used to prevent and detect the occurrence of unethical practices. (8 marks)

Question Two.(15 marks)

- a) Enumerate the Potential areas of risk in the procurement cycle. (10 marks)
- b) Explain the ethical dilemmas that procurement professionals have to contend with in course of their duty. (5 marks)

Question Three.(15 marks)

- a) Explain giving examples in each case some potential areas of risk relating to ethics in the procurement cycle. (10 marks)
- b) Describe the factors to be considered by a procurement officer while receiving a gift or an offer of hospitality from a supplier. (5 marks)

Question Four.(15 marks)

- a) Explain the importance of environmental purchasing to an organization. (10 marks)
- b) Describe the actions that an organization's management can take to ensure that they get optimum suppliers for the supply of goods and services. (10 marks)

Question Five.(15 marks)

- a) Explain how the management of an organization can detect that there is procurement fraud. (7 marks)
- b) Explain the benefits of having a code of ethics in an organization. (8 marks)