



UNIVERSITY OF EMBU

2017/2018 ACADEMIC YEAR

SECOND SEMESTER EXAMINATIONS

**FOURTH YEAR EXAMINATION FOR THE DEGREE OF BACHELOR OF
COMMERCE**

DPS 407: NEGOTIATION IN PROCUREMENT AND SUPPLY

DATE: APRIL 9, 2018

TIME: 8:30 AM – 10:30 AM

INSTRUCTIONS:

Answer Question ONE and ANY Other TWO Questions.

QUESTION ONE (30 MARKS)

- a) Discuss the contents of a the preparatory stage of negotiation (5 marks)
 - b) Define the term 'framework agreement' and outline the circumstances in which it may be appropriate to use a framework agreement with a supplier (5 marks)
 - c) Describe FIVE situations in which the bargaining power of a buyer in a public sector organization is likely to be relatively high compared with that of the supplier (5 marks)
 - d) Briefly discuss FIVE ways in which a supplier might gather information on a procurement organization when preparing for a commercial negotiation. (5 marks)
 - e) Explain FIVE ways to analyze the process or outcomes from a negotiation for procurement of consultancy services (5 marks)
 - f) Discuss resourcing considerations when organizing a negotiation with an external organization. (5 marks)
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QUESTION TWO (20 MARKS)

- a) Discuss FOUR advantages of win-win approach to negotiation. (10 marks)
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- b) Discuss FOUR disadvantages of a win-lose approach to negotiation. (10 marks)

QUESTION THREE (20 MARKS)

- a) Discuss the components of power in negotiation in procurement and supply (10 marks)
- b) Explain the influence of personal traits in negotiation (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain the importance of negotiation in project procurements (10 marks)
- b) 'Negotiation may arise out of necessity'. Explain (10 marks)

QUESTION FIVE (20 MARKS)

Explain how each of the following might impact upon a commercial negotiation:

- a) Non-verbal communication (10 marks)
- b) Culture (10 marks)

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