



UNIVERSITY OF EMBU

2017/2018 ACADEMIC YEAR

SECOND SEMESTER EXAMINATIONS

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

BPS 108: SOURCING IN PROCUREMENT AND SUPPLY

DATE: APRIL 6, 2018

TIME: 11:00 AM – 1:00 PM

INSTRUCTIONS:

Answer Question ONE and ANY Other TWO Questions.

QUESTION ONE (30 MARKS)

- a) Describe **FOUR** elements that might be included in a sourcing plan for goods and services in a private sector organization (5 marks)
- i) Briefly describe **FOUR** stakeholders that a procurement officer might engage with, as part of the organization's sourcing process. (4 marks)
- ii) Suggest **FOUR** examples of information about existing suppliers that might be found on the organization's supplier database and used as part of the supplier pre-qualification process. (4 marks)
- b) Explain **FOUR** criteria that a procurement officer may use to assess a potential supplier's systems and procedures, as part of its supplier selection process. (5 marks)
- i) Explain **TWO** reasons why the profitability of suppliers would be an important criteria in financial assessment of suppliers. (2 marks)
- ii) Explain **FIVE** factors that a manufacturing company will take into account when deciding whether to make a component itself or whether to buy it from a supplier. (5 marks)
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- iii) Highlight the challenges of sourcing from Small and Medium Sized enterprises (SMEs)
(5 marks)

QUESTION TWO (20 MARKS)

A public sector Technical Institute intends to use a tendering process to award a services contract for two new baking equipment.

- a) Identify and justify the tendering method that an organization such as the above should consider using in its tendering process for acquisition of a specialized equipment.
(10 marks)
- b) Identify **FIVE** procurement methods and explain conditions under which they are appropriate to use.
(10 marks)

QUESTION THREE (20 MARKS)

A cement manufacturing company has a new approach to sourcing which is use of several suppliers, or multiple sourcing.

- a) Describe **FOUR** advantages of an organization using a multiple sourcing approach, compared with single sourcing.
(12 marks)
- b) Describe **TWO** disadvantages of an organization using multiple sourcing approach, compared with single sourcing.
(8 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss the advantages and disadvantages of using a tendering (competitive bidding) process for common user goods.
(10 marks)
- b) Explain the challenges of sourcing goods from an overseas supplier.
(10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain the term 'supplier pre-qualification' and how it might assist an organization in its sourcing process.
(10 marks)
- b) Explain **FOUR** criteria that an organization might use in its contract award process.
(10 marks)

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