



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2020/2021 ACADEMIC YEAR

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR, DIPLOMA IN
BUSINESS MANAGEMENT**

BCP 050– INTRODUCTION TO PURCHASING AND SUPPLIES MANAGEMENT

DURATION: 2 HOURS

Instructions to candidates:

1. Answer question One and Any Other Two questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION A: ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION ONE (30 MARKS)

- a) Outline four objectives of purchasing department. (4Marks)
- b) State three purchasing methods. (3Marks)
- c) Highlight four differences between proactive and reactive purchasing. (4Marks)
- d) Identify five problems that a firm may encounter when importing products or services. (5Marks)
- e) Briefly explain three criteria used by an organisation to select the best supplier. (6Marks)
- f) List four disadvantages of inspection process. (4Marks)
- g) State four functions of purchasing research. (4Marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO (20 MARKS)

- a) Discuss the relationship between purchasing and four other departments. (8Marks)
- b) With relevant examples, explain the 6Rs of procurement. (12Marks)

QUESTION THREE (20 MARKS)

- a) Describe the 5 methods of purchasing that are found in the Public Procurement Assets and Disposal Act (PPADA). (10Marks)
- b) Explain the types of costs that are present when a firm decides to hold stock. (10Marks)

QUESTION FOUR (20 MARKS)

- a) Explain five E-procurement tools. (10Marks)
- b) State five functions of purchasing. (5Marks)
- c) Briefly explain the methods used in materials issue. (5Marks)