



MURANG'A UNIVERSITY COLLEGE (MRUC)
(A Constituent College of Jomo Kenyatta University of Agriculture & Technology)
SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

ACADEMIC YEAR 2015/2016

END OF SEMESTER - OCTOBER 2015

DIPLOMA IN BUSINESS MANAGEMENT

UNIT CODE: DBP 1121; INTRODUCTION TO PURCHASING AND SUPPLIES
MANAGEMENT

MAIN CAMPUS

SUPPLEMENTARY EXAMINATION

DATE: 26TH OCTOBER 2015

TIME: 2 HOURS

INSTRUCTIONS

ANSWER QUESTION *ONE* AND ANY OTHER *TWO* QUESTIONS

QUESTION 1

- (a) Highlight principles of coding. [5marks]
- (b) What **FIVE** benefits would accrue to an organization which adopts perpetual method of stock control. [5 marks]
- (c) As store manager explain **FIVE** factors in which you would guide you in selection of supply. [5 marks]
- (d) Explain **FIVE** demerits of establishing a centralized organization of stores compared to departmental. [5 marks]
- (e) Show how stock records assist in managing purchasing. [5 marks]
- (f) Highlight **FIVE** reasons for slow, non-moving and obsolete stocks. [5 marks]

QUESTION 2

- (a) You have recently been employed as a stores executive in get well Co. Ltd Explain 5 ways to the CEO of the organization the importance of such department in an organization. [8 marks]
- (b) What factors as a store's manager would you evaluate performance of an organization [6 marks]
- (c) Explain **SIX** code of ethics for consideration by buyers and sellers in any business organization. [6 marks]

QUESTION 3

- (a) Briefly discuss benefits a business will enjoy when it trains purchasing employees. [10 marks]
- (b) Describe **FIVE** functions of purchase research. [10 marks]

QUESTIONS 4

- What is material handling? Highlight **FIVE** principles material handling. [marks]
- What measures would you take as store executive to ensure health and safety of your workers. [10 marks]

QUESTION 5

- (a). Explain **FOUR** purposes of value analysis. [5marks]
- (b) Explain the following terms as used in price quotation.
- (i) LOC
 - (ii) FOB
 - (iii) FOR
 - (iv) Franco [10marks]
- (c) Describe **THREE** third dimension of purchasing standardization. [5marks]