



**MURANG'A UNIVERSITY COLLEGE**  
(A constituent college of Jomo Kenyatta University of Agriculture and Technology)  
SCHOOL OF BUSINESS AND ECONOMICS.

DEPARTMENT: COMMERCE

PROGRAMME: DIPLOMA IN BUSINESS MANAGEMENT

ORDINARY EXAM

UNIT NAME: INTRODUCTION TO PURCHASING

UNIT CODE: DBP 1121

DATE: 21<sup>ST</sup> AUGUST 2015

TIME: 2 HOURS

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INSTRUCTIONS

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

### QUESTION 1

- (a) Explain **FIVE** advantages an organization gets by establishment of a purchases department. (5 marks)
- (b) Highlight **FIVE** factors which guide an organization in selection of a supplier. (5 marks)
- (c) Explain principles of coding. (5 marks)
- (d) By having perpetual method of stock control what benefits accrue to an organization?
- (e) Why do organizations engage in importation of their materials? (5 marks)
- (f) Describe reasons why organizations involve themselves in inspection of materials purchased. (5 marks)

### QUESTION 2

- (a) Discuss benefits which accrue to organizations which train its personnel. (7 marks)
- (b) Explain areas of value analysis covers in a products. (5 marks)
- (c) Describe types of tenders which are given by the government or a firm. (8 marks)

### QUESTION 3

- (a) Discuss reasons for preservation of materials. (7 marks)
- (b) What 4 advantages of centralizes method of purchasing. (8 marks)

### QUESTION 4

- (a) Standardization is important in purchasing whether locally or internationally explain advantages. which firm may obtain form ratio. (8 marks)
- (b) Explain **FIVE** ways a well planned store layout is likely to offer to an organization. (7 marks)
- (c) Describe **FIVE** objects of purchasing. (5 marks)