



MURANG'A UNIVERSITY COLLEGE

(A Constituent College of Jomo Kenyatta University of Agriculture and Technology)

SCHOOL OF BUSINESS

HUMAN RESOURCE DEPARTMENT/COMMERCE DEPARTMENT

2014/2015 ACADEMIC YEAR

FIRST SEMESTER SPECIAL/SUPPLEMENTARY EXAMINATIONS

**BACHELOR OF SCIENCE IN HUMAN RESOURCE MANAGEMENT/BACHELOR OF
PURCHASING AND SUPPLIES MANAGEMENT**

HPS 2101: PRINCIPLES OF PROCUREMENT TIME: 2 HOURS

DATE: 7TH AUGUST 2015

QUESTION ONE

- a) Explain the factors guiding selection of a supplier (12 Marks)
- b) Discuss the various price forecasting techniques (8 Marks)
- c) Explain the factors that may lead to suppliers being blacklisted (10 Marks)

QUESTION TWO

- a) The Board of Directors has requested for an explanation of standardization in purchasing. As the purchasing officer respond to their request explaining the main objectives and advantages of standardization (15 Marks)
- b) Explain how maximization of productivity is assured in an organization (5 Marks)

QUESTION THREE

- a) Describe the main determinants of purchasing price (10 Marks)
- b) Explain the factors to consider before selection of a supplier in labour relations (10 Marks)

QUESTION FOUR

Differentiate the following terms

- a) Right quality and right quantity (8 Marks)
- b) Right Price and right source (8 Marks)
- c) Outline the purchasing cycle (4 marks)

QUESTION FIVE

ABC company is preparing budgets for the next year. Explain to the managers the need for a purchasing budget (20 Marks)