



MURANGA UNIVERSITY COLLEGE

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

MAIN CAMPUS

ORDINARY UNIVERSITY EXAMINATIONS

2014/2015 ACADEMIC YEAR

FIRST YEAR FIRST SEMESTER EXAMINATIONS

FOR THE DEGREE

OF

BACHELOR OF PURCHASING AND SUPPLIES MANAGEMENT

COURSE CODE: HPS 2213

COURSE TITLE: PURCHASING POLICY & STRATEGY

DATE: 18TH AUGUST 2015

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer TWO (2) questions

MRUC observes ZERO tolerance to examination irregularities

QUESTION ONE

a) You have recently joined the board/council of a newly formed manufacturing company as a the Purchasing Director.

Explain five characteristics of strategic decisions you will effect. **(5 marks)**

b) Creation of policies in any organization is of paramount importance

(i) Explain five advantages of a policy **(5 marks)**

c) Using a well labeled diagram explain the important aspect of Product life cycle **(10 marks)**

d) According to Mintzberg, Strategy is used to imply different things. Explain these different ways. **(10 marks)**

QUESTION TWO

a) The relationship between buyer and supplier is of considerable strategic importance.

Discuss the following types of relationships

i) Transactional

ii) Mutual **(12 marks)**

b) The development of purchasing within an organization can be traced through four stages.

Explain the four stages. **(8 marks)**

QUESTION THREE

a) Strategies are formulated, implemented and evaluated at four organizational levels, i.e Institutional, corporate business &functional strategies. Explain the corporate & business strategic levels. **(12 marks)**

b) Explain any Four importance of Purchasing & Supply. **(8 marks)**

QUESTION FOUR

a) One of the most popular portfolio approaches is Boston Consulting Group (BCG) matrix.

Discuss this portfolio. **(11 marks)**

b) You have recently joined the board of a newly formed manufacturing company as the purchasing director. Your first task is to implement strategies for the company. Explain the main stages of strategy implementation **(9 marks)**