



MURANGA UNIVERSITY COLLEGE

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

MAIN CAMPUS

ORDINARY UNIVERSITY EXAMINATIONS

2014/2015 ACADEMIC YEAR

SECOND YEAR SECOND SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF
BACHELOR OF PURCHASING SUPPLIES MANAGEMENT**

COURSE CODE: HPS 2213

COURSE TITLE: PURCHASING POLICY AND STRATEGY

DATE: Tuesday, 21st April 2015

TIME: 2.00p.m. – 4.00p.m

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer THREE (3) questions

MRUC observes ZERO tolerance to examination irregularities

This Paper Consists of 2 Printed Pages. Please Turn Over. ►

QUESTION ONE.

- a) You have recently joined the board / council of a newly formed manufacturing company as the Purchase Director. Your first task is to formulate purchasing policies for the company. Explain three advantages to the organization of having well defined purchasing policies (6 marks)
- b) i) According to Michael Porter, a business unit can obtain a competitive advantage over its rivals by applying generic strategies. Explain the generic strategies (9 marks)
- ii. Explain six importance's of Purchasing and supply strategies to an organization (6 marks)
- iii. Using a well labeled diagram explain & list the important aspect of product life cycle. (9 marks)

QUESTION TWO

- (a) 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)
- b) One of the most popular portfolio approaches is the Boston Consulting Group (BCG) Matrix, Explain this Cooperate strategy (11marks)

QUESTION THREE

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

- a) Explain the differences of the following types of relationships (12 marks)
- i) Transactional
 - ii) Mutual
- b) Discuss the following types of purchasing strategies (4marks)
- i) Global sourcing (4marks)
 - ii) Supply Base Optimization (4marks)

QUESTION FOUR

- (a) Purchasing can be depicted as a sequential chain of events leading to the acquisition of supplies. Discuss the purchasing process chain (10 marks)
- (b) Give the organizational differences between traditional and current concepts of purchasing roles. (10 marks)