



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR THE
DIPLOMA IN BUSINESS MANAGEMENT**

BCP 050 – INTRODUCTION TO PURCHASING AND SUPPLY MANAGEMENT

DURATION: 2 HOURS

DATE: 11TH DECEMBER, 2017

TIME: 9.00 – 12.00 A.M.

Instructions to Candidates:

1. Answer **Question 1** and **Any Other Two** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION ONE - COMPULSORY

QUESTION ONE

- a) Identify four primary objectives of purchasing (4 marks)
- b) You are employed in IMPO Ltd. As purchases Manager. Explain four reasons why our organization buys goods from other countries. (4 marks)
- c) Why do stores inspect purchased goods before storing? List four reasons. (4marks)
- d) Describe problem hedging in purchasing. (4 marks)
- e) Highlight four factors which guide selection of source of supply of goods to an organization (4marks)
- f) Identify four benefits of external sourcing of store employees. (4 marks)
- g) Describe the procedure adopted in making a purchase for an organization (4 marks)
- h) Highlight three reasons why materials should be preserved in a store. (3 marks)

SECTION TWO – ANSWER ANY TWO QUESTIONS

QUESTION TWO

- a) Discuss four problems which may be encountered by a trader involved in international purchasing (8 marks)
- b) Your purchase department intends to train its personnel, discuss three benefits which would accrue to the department. (6 marks)
- c) Discuss six costs involved in carrying and purchasing of stock. (6 marks)

QUESTION THREE

- (a) Discuss five qualities a trained and independent value analyst should possess to justify his job. (10 marks)
- (b) Describe five function of a Purchasing department function. (10 marks)

QUESTION FOUR

- (a) Discuss four areas involved in vendors commodity research (8 marks)
- (b) Explain four factors analyses in plant analysis (6marks)
- (c) Outline six duties of a purchaisng officer (6 marks)