



Strathmore
UNIVERSITY

STRATHMORE INSTITUTE

DIPLOMA IN PURCHASING AND MANAGEMENT

END OF SEMESTER EXAMINATION

DPR 1101: INTRODUCTION TO PURCHASING & SUPPLIES MANAGEMENT

DATE: 22nd AUGUST 2018

Time: 2 Hours

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

QUESTION ONE – COMPULSORY QUESTION (30 Marks)

- a) Purchasing is a function that is particularly vulnerable to fraud. Fraud is not necessary restricted to those with the title purchasing officer but may involve anyone in direct contact with suppliers; including engineers, works managers, sales and computer staff.
 - i. Describe ANY FIVE incidences of supplies related fraud (10 Marks)
 - ii. State FOUR ways of preventing fraud in supplies (2 Marks)
- b) Explain the following Sourcing strategies (6 Marks)
 - i. Single Sourcing (2 Marks)
 - ii. Outsourcing (2 Marks)
 - iii. Subcontracting (2 Marks)
- c) Discuss the objectives of purchasing in an organization (12 Marks)

QUESTION TWO (15 Marks)

- a) Explain the following procurement methods(10 Marks)
 - i. Forward buying (2 Marks)
 - ii. Tender buying (2 Marks)
 - iii. Rate Contract (2 Marks)
 - iv. Blanket Order system (2 Marks)
 - v. System contracting (2 Marks)
- b) Describe ANY FIVE dimensions of quality (5 Marks)

QUESTION THREE (15 Marks)

- a) State and Explain FIVE variables to consider when evaluating suppliers (10 Marks)
- b) Outline FIVE benefits decision support systems (DSS) provide for faster decision making by procurement managers (5 Marks)

QUESTION FOUR (15 Marks)

- a) Define Strategy and Explain the FIVE Ps of strategy outlined by Henry Mintzberg (7 Marks)
- b) Describe the procurement procedure (8Marks)

QUESTION FIVE (15 Marks)

- a) Describe the Negotiation cycle (5 Marks)
- b) List and Explain ANYFIVE Cs of effective supplier evaluation (5 Marks)
- c) Define multiple sourcing and outline the advantages of this sourcing strategy (5 Marks)