



**KIBABII UNIVERSITY COLLEGE**

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*Knowledge for Development*

**UNIVERSITY EXAMINATION**  
**SCHOOL OF BUSINESS MANAGEMENT**  
**DEPARTMENT OF MARKETING**  
**MAIN EXAMINATION**

**COURSE CODE: DIB 101**

**COURSE TITLE: PRINCIPLES OF PURCHASING AND SUPPLIES**

**DATE:**

**TIME:**

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**INSTRUCTIONS**

- Answer question one (compulsory)
- Answer TWO questions in section two 45 mks

## SECTION ONE COMPULSORY 25 MKS

### Question one

- a) Explain the meaning of purchasing (5 marks)
- b) State the five rights of purchasing (5 marks)
- c) Describe five problems associated with international sourcing (5 marks)
- d) Explain the examples of purchasing supply related fraud (5 marks)
- e) Explain the main functions of ware housing (5 marks)

## SECTION TWO ANSWER THREE QUESTIONS 45 MKS

### Question two

- a) Establish the distinguish between purchasing and the following terms
  - i) Procurement
  - ii) Supply management
  - iii) Material management (5 marks)
- b) “Organization theory identifies types of structures that represent distinct forms of organization structures.” Using an illustration discuss two types of this structures (6 marks)
- c) Explain benefits of outsourcing (4 marks)

### Question three

- a) Discuss the characteristics of the following stages in relation to evolution of purchasing
  - i) Passive stage
  - ii) Independent stage
  - iii) Supportive stage
  - iv) Integrative stage (8 marks)
- b) State the ethical principles on which purchasing and supply is conducted (7 marks)

### Question four

- a) Enumerate and explain the specific roles of purchasing department the overall firm’s performance (4 marks)
- b) Describe the purchasing cycle (8 marks)
- c) Discuss the factors to consider when deciding where to buy ( 3 marks)

### Question five

- a) Establish the relationship between the following
  - i) Purchasing and design/engineering
  - ii) Purchasing and production
  - iii) Purchasing and marketing (6 marks)
- b) Discuss information technology and its impact on daily operations (5 marks)
- c) Assess why analysis of market conditions information is important (4 marks)

