



KIBABII UNIVERSITY COLLEGE (KIBUCO)

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2014 /2015 ACADEMIC YEAR**

FIRST YEAR FIRST SEMESTER EXAMINATIONS

MAIN EXAMINATION

DIPLOMA

IN

BUSINESS MANAGEMENT

COURSE CODE: DPS 100

COURSE TITLE: PRINCIPLES OF PURCHASING AND SUPPLIES MANAGEMENT

DATE: 22nd January 2015

TIME: 9.00-11.00 a.m.

INSTRUCTIONS TO CANDIDATES:

Answer Question ONE and any other Two Questions

TIME: 2 Hours

QUESTION ONE

- a) Write short notes on
 - i) Supply chain management (3 marks)
 - ii) The small-order problem (3 marks)
 - iii) Single sourcing (3 marks)
- b) Explain the role of purchasing and supply department in an organization (5 marks)
- c) State any five factors that are considered when establishing purchasing liaison (5 marks)
- d) Explain any three indicators of purchasing fraud (6 marks)
- e) What are the activities involved in purchasing (5 marks)

SECTION B ANY TWO QUESTIONS

QUESTION TWO

- a) Highlight any five examples of procurement related fraud (5 marks)
- b) Explain any five ways in which fraud can be prevented (10 marks)
- c) STATE any five problems of international sourcing (5 marks)

QUESTION THREE

Viatu mbovu Ltd is a large shoe manufacturing Company in one of the major towns in Kenya. For several years, the company has operated without a properly defined procurement department. Due to the tremendous growth in business, the directors of the company have realized the need to have a properly constituted department to be in charge of procurement issues and they have approached you to be their consultant.

Required

Explain to the directors the various types of organization structures and explain the positioning of purchasing department in each structure for Viatu Mbovu and give the reasons for your recommendation (20 marks)

QUESTION FOUR

Describe the relationship between purchasing and supply department and other departments in the organization (20 marks)

QUESTION FIVE

Discuss any five procurement methods that may be used by a public entity in sourcing of goods, works and services as provided for by Public Procurement and Disposal Act, 2005 (20 marks)