



KIBABII UNIVERSITY COLLEGE

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KIBABII UNIVERSITY COLLEGE
(A Constituent College of MasindeMuliro of Science & Technology)

UNIVERSITY EXAMINATIONS

2012/ 2013 ACADEMIC YEAR

**FOR THE DIPLOMA OF
BUSINESS MANAGEMENT**

COURSE CODE: DPS 100

COURSE TITLE: PRINCIPLES OF PURCHASING AND SUPPLIES

DATE: 22nd August 2013

TIME: 9.00am – 12 noon

Instructions to Candidates

- Attempt any four question s

1. (a) Assume that you have been appointed to be the procurement manager at Kula Raha Tourist Hotels. Outline the steps you would follow in purchasing inventory (16 marks)
(b) Write short notes on the following purchasing systems:
 - i. Speculative purchasing (2 marks)
 - ii. Hand to Mouth purchasing (2 marks)
2. (b) Explain what is meant by import purchasing and reasons why people engage into import purchasing (10 marks)
(b) Explain the difficulties encountered in import purchasing (10 marks)
3. (a) Explain the functions of purchasing research (10 marks)
(b) Explain what is meant by the term Value analysis and enumerate the purpose for which it is carried out (10 marks)
4. (a) What requirements must be observed in preparing an invitation to tender (6 marks)
(b) Explain the term “Addendum” as used in the tendering process (4 marks)
(c) The public Procurement and Disposal Act 2005, advocates open tendering as the most preferable procedure of acquisition. However the Act gives alternative methods of procurement procedures that can be used. Identify five alternative procurement and briefly describe them. (10 marks)
5. (a) Explain the following terms as used in international purchasing (10 marks)
 - i. F.A.S
 - ii. F.O.B
 - iii. C.I.F
 - iv. F.O.R
 - v. C &F

(b) Write short notes on the following (10 marks)

- i. Purchase requisition
- ii. Purchase Order
- iii. Delivery Note
- iv. Invoice
- v. Goods Received Note