****

**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2019/2020 ACADEMIC YEAR TWO**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 228**

**COURSE TITLE: INTRODUCTION TO PURCHASING AND SUPPLIES**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 11/12/2020 TIME: 12.00-2.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

1. The basic rule in purchasing ethics is that if you have commercially confidential information it must be kept confidential, and never unutilized for personal gain or to prejudice fair competition. Explain five examples of such information **[10 marks]**
2. The Internet and e-commerce is drastically changing the way purchasing is done. Discuss five challenges of using electronic procurement in an organization **[10 marks]**
3. All attempts should be made to procure the materials at right price. Explain five factors considered when selecting the right price **[10 marks]**

**QUESTION TWO**

1. Suppliers and buyers are expected to have an environmental policy and procedure as required by local and international regulatory authorities. Explain the directives and regulations issued relating to the sectors listed below; **[10 marks]**
2. Timber, wood and paper products
3. Food and catering services
4. Vehicles
5. Energy
6. Uniforms and textiles
7. Explain any five reasons as to why a buyer chooses to purchase components and services externally **[10 marks]**

**QUESTION THREE**

1. Suppliers and buyers usually have different and conflicting objectives. Explain how these conflicting objectives affect outsourcing decisions **[5 marks]**
2. Green products are made or operate in a way. Highlight five features that define a green product **[5 marks]**
3. Suppliers are appraised from different perspectives, explain five aspects appraised under the production capacity and facilities perspective **[10 marks]**

**QUESTION FOUR**

1. Explain reasons why an organization may outsource purchasing as a function **[10 marks]**
2. Discuss the issues appraised when assessing the environmental and ethical considerations of a supplier **[10 marks]**

**QUESTION FIVE**

1. Materials that are in excess or cannot be used should be disposed. Discuss five acceptable methods of disposal as per procurement guidelines **[10 marks]**
2. Explain the functions of the purchasing department in an organization **[10 marks]**