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**GARISSA UNIVERSITY**

**SCHOOL OF BUSINESS AND ECONOMICS**

**CERTIFICATE IN BUSINESS MANAGEMEN**

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

**UNIT CODE: CBM 010 MAY-AUGUST 2021 SEMESTER**

**DURATION 2HOURS DATE:**

**INSTRUCTIONS: ANSWER QUESTION ALL QUESTIONS**

**QUESTION ONE**

1. Define the following terms
2. Purchasing (2 marks)
3. Procurement(2marks)
4. Specification (2 marks)
5. Negotiation (2marks)
6. State and explain 5 Function and Responsibilities in purchasing (5Marks)
7. State and explain six major principles used in purchasing (12Marks)
8. Explain the objective of store keeping (5maks)

**Question Two**

a) Decentralization is one of the approaches that an organization may use to organize its stores. Explain the advantages and disadvantages in this approach (10marks)

b) There are several types of specification state and explain five of them (5marks)

c) Explain the purpose of specification in procurement/ purchasing (5marks)

**Question Three**

1. Explain the steps in the procurement process that should be followed by organisation.(10 marks)
2. State and explain reasons for holding stock in an organization(10marks)

**Question Four**

1. Explain the reason/benefit that lead someone to outsource (10marks)
2. Highlights factors consider before an organization/company outsource (10 marks

**Question Five**

1. State and explain the adopted procedure when making purchase for an organization**.(**10 Marks )
2. State and explain document involve during purchase procedure in organization (10marks )