

GARISSA UNIVERSITY

SCHOOL OF BUSINESS & ECONOMICS

DEGREE IN BUSINESS MANAGEMENT

DEPARTMENT OF BUSINESS MANAGEMENT

UNIT NAME: PROCUREMENT CODES AND ETHICS

UNIT CODE: BBM 441

**Main Exam Draft**

**QUESTION ONE**

“Doing the right thing” matters to firms, taxpayers, employees, and other stakeholders, as well as to society. To companies and employers, acting legally and ethically means saving billions of dollars each year in lawsuits, settlements, and theft. One study found that the annual business costs of internal fraud range between the annual gross domestic profit (GDP) of Bulgaria ($50 billion) and that of Taiwan ($400 billion). It has also been estimated that theft costs companies $600 billion annually, and that 79% of workers admit to or think about stealing from their employers. Other studies have shown that corporations have paid significant financial penalties for acting unethically. The U.S. Department of Commerce noted that “as many as one- third of all business failures annually can be attributed to employee theft.” Experts have estimated that approximately 40% of fraud and theft losses to businesses are internal. African countries have experienced huge financial losses and misappropriation due to unethical and unprofessional activities. In Kenya for example procurement is one department that has accounted to more than half of these scandals.

**Required;**

1. You have been hired as a procurement officer in a public office, suggest some of the give – away signs of fraud you would obverse keenly curb procurement malpractices (10 marks)
2. Explain how upholding ethics in Purchasing and supplies can save the organization losses and misappropriation of funds (10 marks)
3. Discuss five ethical Practices in Procurement that you would consider as “Doing the right thing” (10 marks)

**QUESTION TWO**

1. Explain the common policies on handling of business gifts andhospitality (10 marks)
2. Discuss the series of sequential steps in decision making that lead to a particular result (10 marks)

**QUESTION THREE**

1. The business needs suppliers to get a continuous supply of commodities for its customers. Explain the ethical responsibility of the business to its supplies (10 marks)
2. Discuss how managers can improve ethical behavior in their organizations (10 marks)

**QUESTION FOUR**

1. Discuss the multi-stage model with three principles of ethical decision-making developed Ferrell and Gresham (6 marks)
2. Explain the three elements of implementing ethical behavior in the organization (10 marks)

**QUESTION FIVE**

1. Explain some examples of the ethical codes that can be formulated by organizations (10 marks)
2. Discuss the different ethical issues that exist in an organization or at the workplace (10 marks)