****

**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR THREE**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

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

**COURSE CODE: BBM 340**

**COURSE TITLE: PURCHASING MANAGEMENT**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 01/04/2021 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)**

What do major government projects like the Anglo Leasing, National Social Security Fund (NSSF) funded Tassia II estate project, Independent Electoral and Boundaries Commission (IEBC) Biometric voter register/ voter identification kit, Laptop Project and Standard Gauge Railway have in common? They have all been in the limelight for all the wrong reasons. All the mentioned procurement processes were either marred by huge variations between the price announced at opening of the tender and the price at which the tender was awarded or failure to ensure due diligence in the tendering process. Simply put, the procurement process in all instances was shrouded in secrecy, inefficiency, corruption and undercutting which resulted or will result in huge amounts of resources going to waste. It is estimated that weaknesses in public procurement, including vulnerability to corruption, are a global problem with approximately $400 billion (Kshs 34.9 trillion) reported as being lost to bribery and corruption in procurement globally. In 2007 the Public Procurement Oversight Authority (PPOA) estimated that procuring entities were buying at an average of 60% above the prevailing market price, an indicator that public procurement in Kenya does not receive the benefit of competitive procurement.

1. In reference to the above define the following;
2. Procurement **(2 marks)**
3. Public Procurement **(2 marks)**
4. Describe the nature of procurement **(6 marks)**
5. Discuss the objectives of public procurement (**10 marks**)
6. Discuss the principles of good procurement **(10 marks)**

**QUESTION TWO**

1. Explain the advantages and disadvantages of international sourcing **(10 marks)**
2. Discuss some of the factors to consider when planning international purchasing **(10 marks)**

**QUESTION THREE**

1. Describe the eight dimensions of quality **(8 marks)**
2. Different organizations use different kind of structures in their governance. Critically discuss this statement. **(12 marks)**

**QUESTION FOUR**

1. Describe the difference between the win-lose and win-win negotiation **(10 marks)**
2. Discuss the main stages that are involved in acquiring goods from prospective suppliers **(10 marks)**

**QUESTION FIVE**

1. Discuss ways in which procurement relationships can be expressed **(10 marks)**
2. Supplier’s appraisal is situational. What to appraise is related to the requirements of the particular purchaser. All appraisals should however, evaluate potential suppliers from different perspectives. Discuss. **(10 marks)**