



GARISSA UNIVERSITY

**UNIVERSITY EXAMINATION 2017/2018 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: PRINCIPLES OF PURCHASING AND SUPPLIES

EXAMINATION DURATION: 3 HOURS

DATE: 10/04/18

TIME: 08.00-11.00 AM

INSTRUCTION TO CANDIDATES

- The examination has SIX (6) questions
- Question ONE (1) is COMPULSORY
- Choose any other THREE (3) questions from the remaining FIVE (5) 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)

- (a) Critically examine the significance of purchasing and supplies management to an organization. [5 marks]
- (b) 'Purchasing function is a procedural process' Discuss. [10 marks]
- (c) Explain the importance of adhering to purchasing ethics by business organizations in Kenya. [10 marks]

QUESTION TWO

- (a) Outline the core components of purchasing planning in an organization. [3 marks]
- (b) Describe six fundamental aspects of supplier evaluation in the global market. [12 marks]

QUESTION THREE

- (a) Explain five objectives of pricing goods and services in the market. [5 marks]
- (b) Discuss the external factors that might influence the cost of goods and services in commercial transactions in Kenya. [10 marks]

QUESTION FOUR

- (a) Highlight three types of inventory costs. [3 marks]
- (b) Critically analyze the significance of maintaining stock/inventory by companies in the modern global market. [12 marks]

QUESTION FIVE

- (a) Identify three determinants of quality. [3 marks]
- (b) Discuss the key principles that guide in determining quality dimensions of commodities in the global market environment. [12 marks]

QUESTION SIX

- (a) Explain five factors that determine buyer bargaining power in a globalised market. [5 marks]
- (b) Discuss the significant dimensions of negotiation between a buying company and its suppliers. [10 marks]

