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**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: 20/08/2021 TIME: 09.00-11.00 AM**

**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 THREE (3) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

There has been an increasing awareness of environmental protection worldwide. Due to this, the green trend towards conserving resources and protecting the environment has exerted pressure on companies across the world (Salam, 2008). This pressure has prompted organisations to improve their environmental performance (Zhu and Sarkis, 2006). Consequently, organisations have shown growing concern for the environment. Increasing environmental concern has gradually become part of the overall institutional culture and, in turn, has helped to re-focus the strategies of corporations (Salam, 2008).

According to Salam (2008), the types of environmental impact that are due to the coordinated activity of companies in a supply chain include global warming, reductions in air quality, pollution of waterways and widespread loss of biodiversity. Much of the activities arise from the manufacturing sector which produce and emit unnecessary large wastes rather than investing in better technologies that prevent such generation (King and Lenox, 2002). Hervani, Helms, and Sarkis (2005) add that addressing the influence of supply chain management on the natural environment is a green component to supply chain management.

Arrowsmith, Linarelli, and Wallace (2000) define procurement as the situation where a firm obtains the goods and services that it needs by making a contract with another entity. This is usually a firm from the private sector. According to Bolton (2008), the use of procurement to promote environmentally sound practices is referred to as green procurement; environmentally preferable purchasing; eco-procurement; environment- orientated procurement; environmentally friendly procurement; environmental procurement; greener purchasing; sustainable procurement; and environmentally responsible procurement. Bolton (2008) notes that despite the variety of terms, they all generally refer to the selection of products and services whose environmental impact are not harmful or the least harmful to the environment and human health when measured against competing products and services.

Lacroix (2008) asserts that green procurement (or affirmative procurement) is the purchase of environmentally preferable products and services in accordance with one or more of the established green procurement preference programs. It is the purchasing of products or services with lower effect on the environment over their whole life cycle than the standard equivalent. The green procurement elements, according to Lacroix (2008), are: recycled content products; energy efficient products and energy efficient standby power devices; alternative fuel vehicles, alternative fuels, and fuel efficient vehicles; bio-based products; non-ozone depleting substances; alternative fuels and fuel efficient vehicles; and environmental protection priority chemicals.

Organizations worldwide are making an effort to purchase products and services that are environmentally friendly. According to Lacroix (2008), both public and private sector organizations are implementing procurement practices that focus on environmental considerations.

In reference to the above,

1. Define green procurement **(2 marks)**
2. Define public procurement **(3 marks)**
3. State some of the characteristics of green procurement **(5 marks)**
4. Describe the advantages of green procurement **(10 marks)**
5. Describe the challenges facing green procurement **(10 marks)**

**QUESTION TWO (20 MARKS)**

1. Describe the rights of purchasing (10 marks)
2. Discuss some of the factors to consider when planning international purchasing  **(10 marks)**

**QUESTION THREE (20 MARKS)**

1. Discuss the main stages that are involved in acquiring goods from prospective suppliers. **(10 marks)**
2. Discuss the advantages and disadvantages of early supplier involvement  **(10marks)**

**QUESTION FOUR (20 MARKS)**

1. Describe the objectives of public procurement **(4 marks)**
2. State and explain the nature of procurement **(6 marks)**
3. Discuss ways in which procurement relationships can be expressed **(10 marks)**

**QUESTION FIVE (20 MARKS)**

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