



**KERICHO CAMPUS**

**1<sup>st</sup> YEAR FIRST SEMESTER**

**SEPTEMBER -DECEMBER 2023**

**COURSE CODE: CPSM 008    COURSE TITLE: PURCHASING  
MANAGEMENT**

**INSTRUCTIONS**

Answer question one and any other three question

**QUESTION ONE**

Organizations should consider all perspectives of right quality when purchasing items (10mks)

Highlight five major dimensions of right quality  
(10mks)

**QUESTION TWO**

Large organizations usually have a combined centralized and decentralized purchasing system. Explain five advantages to the organization of adopting the system (10 mks)

Highlight five benefits that may accrue to a company from undertaking quality assurance activities

(10 mks)

**QUESTION THREE**

Highlight five ways in which buyers and sellers could use to bridge perceived gap during a supplier development process. (10 mks)

Progressive organization accord purchasing management function a high level status. Explain the activities that the function is required to perform (12 mks)

**QUESTION FOUR**

Describe the process an organization should follow when controlling the quality of purchased items

(8mks)

Oligopoly is one of the market structures in a business environment. Highlight the implications of the market structure on the purchasing function. (8 mks)



### **QUESTION FIVE**

Highlight features that are inherent in fixed price and cost price contracts. (12 mks)

Purchasing professionals facilitate debriefing discussions with unsuccessful bidders. Highlight four aspects that the bidders should be debriefed on. (8 mrks)

### **QUESTION SIX**

Explain the following clauses as used in contracts.

- i. Force majeure clause; (2 mrks)
- ii. Liquidated damages clause (2 mrks)
- iii. Exclusion clause (2 mrks)
- iv. Dispute resolution clause (2 mrks)

The Public Officer Ethics Act, 2003 stipulates that officers should undertake their duties and responsibilities professionally. (8 mrks)

Highlight six aspects that the officers are required to comply with respect of the act. (12 mrks)

### **QUESTION SEVEN**

Explain four reasons for considering purchasing ethics as key in purchasing management

(8 mrks)

Distinguish between adversarial and partnership negotiation strategies in purchasing management.

(12 mrks)