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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
FOURTH YEAR, FIRST SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 13th August, 2024
Time: 11.30am – 1.30pm

KPS 401 PURCHASING ETHICS

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Explain the term “purchasing ethics”
(2 Marks)
- b) Outline five major reasons how ethics are vital in our current society
(5 Marks)
- c) State three benefits of good ethical behaviors in a business enterprise
(3 Marks)
- d) Explain the concept of stewardship in relation to purchasing personnel in businesses
(3 Marks)
- e) Differentiate between “avoidance of appearance of impropriety” from transparency as ethical principles.
(4 Marks)
- f) Explain three business reasons why companies commit themselves to incorporating strong ethical values for its enterprise.
(3 Marks)
- g) Explain what is a professional code of ethics.
(3 Marks)
- h) Distinguish between fraud and corruption in purchasing management.
(4 Marks)
- i) As a member of (Chartered Institute of Purchasing and Supply) CIPS, state three ways how you enhance the proficiency and stature of the profession as a way of adhering to its ethical code of conduct?
(3 Marks)

QUESTION TWO (20 MARKS)

- a) Discuss six principles which may be considered for implementing an ethical sourcing strategy in supplies and purchasing management.
(12 Marks)
- b) Discuss four advantages of business ethics in an organization.
(8 Marks)

QUESTION THREE (20 MARKS)

- a) Discuss six ethical principles a purchasing department should uphold and encourage its members to adhere to. (6 Marks)
- b) Describe seven ways of detecting and preventing unethical practices in a purchasing department. (14 Marks)

QUESTION FOUR (20 MARKS)

- a) Discuss five benefits of managing ethics in a purchasing working environment (5 Marks)
- b) Explain seven challenges do you think purchasing companies encounter when enforcing a good ethical code in an organization. (7 Marks)
- c) Discuss four consideration issues when developing and implementing an ethical culture in purchasing and supplies management. (8 Marks)

QUESTION FIVE (20 MARKS)

- a) Explain the impact of corruption in procurement and supply chain management. (10 Marks)
- b) Organizations that are driven by an ethical code of conduct in their operations are likely to be more competitive than others. Justify this statement with five reasons. (10 Marks)

