



Kasarani Campus  
Off Thika Road  
P. O. Box 49274, 00101  
NAIROBI  
Westlands Campus  
Pamstech House  
Woodvale Grove  
Tel. 4442212  
Fax: 4444175

**KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR**  
**SECOND YEAR, SECOND SEMESTER EXAMINATION**  
**FOR THE DIPLOMA IN PROCUREMENT & SUPPLIES**  
**MANAGEMENT**  
**DPS 1404: PURCHASING AND SUPPLY STRATEGY**

Date: 6<sup>TH</sup> DECEMBER, 2024  
Time: 2.30PM-4.30PM

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- a) Discuss the strategic objectives of purchasing and supply chain function (6 Marks)
- b) Many business organizations prepare strategic plans for their operations. Explain the reasons which may prompt an organization to prepare a strategic plan. (6 Marks)
- c) Explain ways in which functional strategies interrelate with corporate strategies (6 Marks)
- d) Discuss the concept of Michael Porter's on value chain analysis on maximizing competitive advantage (6 Marks)
- e) Cost Reduction is one of the key strategies purchasing department. Explain the activities which would support the successful implementation of this strategy (6 Marks)

**QUESTION TWO (20 MARKS)**

- a) Purchasing departments should prepare appropriate purchasing strategies to guide their operations. Explain the factors which should be considered in the development of such strategies (6 Marks)
- b) Highlight strategic issues in purchasing and supply that may be put in place to ensure value for money without sacrificing the environment? (8 Marks)
- c) Explain circumstance under which supplier bargaining power may be higher than the buyer's (6 Marks)

**QUESTION THREE (20 MARKS)**

- a) Explain the potential disadvantages of placing purchasing function at a low level in an organizational structure (6 Marks)
- b) Outline the factors that may hinder effective implementation of supply chain policies in an organization (8 Marks)
- c) Outline ways in which the management of an organization may communicate the supply chain management policy manual (6 Marks)

**QUESTION FOUR (20 MARKS)**

- a) A purchasing organization has adopted a policy of purchasing from small business enterprises. Explain the advantages which the organizations are likely to derive from such policy. **(6 Marks)**
- b) Explain ways in which the supply chain strategy may contribute to the attainment of cost minimization objective in an organization **(8 Marks)**
- c) Some organizations are reluctant to adopt the strategic management approach in their operations. Outline reasons that may account for reluctance **(6 Marks)**

**QUESTION FIVE (20 MARKS)**

- a) Highlight the decisions that may be made at the business level in the strategic management of an organization **(6 Marks)**
- b) Explain the benefits of scanning the environment in which an organization operates before developing a strategic plan. **(8 Marks)**
- c) Explain the advantages of adopting the just in time strategy in the supply chain management operations **(6 Marks)**