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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 1117 INTERNATIONAL PURCHASING

Date: 8TH AUGUST, 2024
Time: 11.30AM-1.30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) There are certain costs that organizations may incur while sourcing goods from foreign markets. Describe **TWO** of such costs. **(4 Marks)**
- b) KK Limited Company intends to source its products from overseas markets. Explain **THREE** sources of information about overseas suppliers. **(6 Marks)**
- c) Explain **THREE** methods of certifying the quality of goods for the international market. **(6 Marks)**
- d) KWUST Limited intends to buy and transport materials purchased from overseas market to the Kenyan port. Explain **TWO** international commercial terms (INCOTERMS) that may be applied. **(4 Marks)**
- e) Unethical practices involve acts and activities considered unacceptable in the international market. Explain **THREE** negative consequences of unethical practices in international purchasing. **(6 Marks)**
- f) Distinguish between global sourcing and international purchasing. **(4 Marks)**

QUESTION TWO (20 MARKS)

- a) KWUST limited Company has been experiencing problems while sourcing for its material requirements from overseas markets. Explain **THREE** measures that the company should take to overcome the problems. **(6 Marks)**
- b) Njomo limited Company has decided to source its products from international sources. Explain **FOUR** benefits that may accrue to the firm from buying its products from international sources. **(8 Marks)**
- c) Emerging issues and trends in international purchasing have brought changes in activities which occurs during international purchasing process. Highlight **THREE** emerging issues and trends in international purchasing. **(6 Marks)**

QUESTION THREE (20 MARKS)

- a) Counter trade is one of the sourcing strategies that public entities may use to acquire materials from foreign sources. Explain two circumstances that may favor the use of this policy. **(4 Marks)**
- b) Explain the role of the government of Kenya in promoting international purchasing. **(8 Marks)**
- c) Globalization increases interconnectedness and interdependence of countries through the exchange of goods, services, information and ideas. Explain four advantages of globalization in purchasing. **(8 Marks)**

QUESTION FOUR (20 MARKS)

- a) Mothukinju limited company, sources its products from foreign markets. Explain the import process that is followed by the company to bring products into the country. **(8 Marks)**
- b) Documents used during sourcing of goods from overseas markets serve many purposes such as a proof of ownership of shipment. Describe **THREE** documents that are used during international purchasing. **(6 Marks)**
- c) Transport and distribution play an important role during international purchasing as it helps to ensure efficiency and effectiveness during transportation. Explain **THREE** factors a purchasing firm should consider when choosing a method of transportation. **(6 Marks)**

QUESTION FIVE (20 MARKS)

- a) Regional trade blocs are a group of countries that form an alliance to enhance economic cooperation and trade relations. Explain **THREE** importance of trading blocs in international purchasing. **(6 Marks)**
- b) Counterfeiting is the practice of producing and selling goods that are deliberately made to resemble genuine products but are actually fake or unauthorized copies. Explain **THREE** challenges of counterfeiting to businesses and consumers. **(6 Marks)**
- c) Discuss methods of settling payments in international purchasing **(8 Marks)**