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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR**  
**FOURTH YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

Date: 13<sup>th</sup> April, 2022  
Time: 11.30am –1.30pm

**KPS 401 - PURCHASING ETHICS**

**INSTRUCTIONS TO CANDIDATES**

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

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**QUESTION ONE (30 MARKS)**

**Read the following case study and answer the questions that follow;**

Purchasing officers are faced with several conflicts of conflicts in the current emerging era. On a positive note, purchasing personnel are of significant impact to the organizations in terms of acquisition of goods, works and services. Every corporate entity is required to incorporate a code of ethics and make sure it's properly implemented. There are a few cases of corrupt malpractices in purchasing; however, both private and public sector are always trying to reduce it by legislating new laws and punishing corrupt procurement officers. In Kenya, procurement officers are governed by Kenya Institute of Supplies and management body to oversee all the activities of the purchasing profession in Kenya. Every company is encouraged by new legislative measures to seriously implement its code of conduct especially in procurement to make sure it's duly functional.

- a) Highlight five potential warning signs for unethical malpractices in supply chain (5 marks)
- b) State reasons why corporate are required to develop and implement business ethics for its employees (5 marks)
- c) Explain five motivators of corrupt practices in purchasing and supply chain (5 marks)
- d) State five pillars of ethical code of conduct as spelt by Kenya institute of supplies management in Kenya. (5 marks)
- e) Explain five benefits a supply chain organization gets as a result of well implemented code of ethics and image for its business. (5 marks)
- f) What aspects about suppliers should you assess to determine they have a workable code of ethics for their business organization before acquiring goods and products from them (5 marks)

**QUESTION TWO (20 MARKS)**

- a) Expound on the necessity for a corporate code of conduct on the performance and profitability of the business (10 marks)
- b) Discuss ways in which a purchasing organization can minimize on the unethical malpractices during procurement processes (10 marks)

**QUESTION THREE (20 MARKS)**

- a) Explain five challenges that face the implementation of corporate ethics in supply chain (10 marks)
- b) Advise on the guidelines the purchasing officers should exercise when faced with ethical dilemmas during execution of their functions in the procurement department. (10 marks)

**QUESTION FOUR (20 MARKS)**

- a) As a purchasing officer incharge of your procurement department, how can you model a better culture of integrity for your purchasing employees. (10 marks)
- b) Discuss the benefits of obtaining goods, works and services from ethical and trustworthy suppliers in supply chain. (10 marks)

**QUESTION FIVE (20 MARKS)**

- a) Explain five reasons for the establishment of chartered institute of purchasing and supply organization which regulates the procurement profession in the world. (10 marks)
- b) Almost all purchasing department have an existing code of conduct in place, yet, unethical malpractices are still very rampant especially in the public sector. Discuss. (10 marks)