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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2012/2013 ACADEMIC YEAR**  
**FOURTH YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

Date: 17<sup>th</sup> April, 2013  
Time: 11.00am – 1.00pm

**KPS 401 - PURCHASING ETHICS**

**INSTRUCTIONS TO CANDIDATES**

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

**QUESTION ONE (30 MARKS)**

- a) Explain how an organization shows courtesy to supplier's representatives. (4 Marks)
- b) Explain ethical purchasing strategy of a Company. (6 Marks)
- c) Describe the indicators of procurement fraud. (5 Marks)
- d) Explain the benefits that an organization accrues from maintaining ethical codes. (4 Marks)
- e) What is computer ethics? (6 Marks)
- f) An effective procurement process is important as it plays an important role in any business dealings. Explain what is an effective procurement function and how does it benefit a Company. (5 Marks)

**QUESTION TWO (20 MARKS)**

- a) The Procurement Ethics is guided by principles of conduct which reflects the core beliefs and values of an organization. Explain these principles. (10 Marks)
- b) How do employees in an organization observe the highest purchasing ethical standards? (10 Marks)

### **QUESTION THREE (20 MARKS)**

- a) Explain the highest ethical standards that suppliers should maintain and observe during any contract. (6 Marks)
- b) Define some examples of unacceptable behaviours of a supplier. (4 Marks)
- c) Define conflict of interest and give examples by highlighting situations in which conflicts of interest may arise. (10 Marks)

### **QUESTION FOUR (20 MARKS)**

- a) All organizations expect suppliers to be honest in all dealings, declarations and warrant on all issues. Explain about four declarations. (8 Marks)
- b) Explain how employees of an organization are accountable and responsible in complying with the detail and spirit of the procurement ethics. (4 Marks)
- c) Explain the range of disciplinary actions available which can be imposed on employees for violation of procurement ethics. (4 Marks)

### **QUESTION FIVE (20 MARKS)**

- a) Explain the range of disciplinary actions available to be imposed on supplier for violation of procurement ethics. (4 Marks)
- b) Which are the key tenets conduct does procurement ethics focuses on? (3 Marks)
- c) Explain why it is possible to gain from deception during negotiations. (10 Marks)
- d) Explain three ways how an organization can screen potential suppliers. (3 Marks)