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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: 11<sup>th</sup> December, 2024  
Time: 2.30pm – 4.30pm

**KPS 2401 - PURCHASING ETHICS**

**INSTRUCTIONS TO CANDIDATES**

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

**QUESTION ONE (30 MARKS)**

**CASE STUDY MANUEZER CONSTRUCTION AGENCY TNO. 16092014**

Manuezer Construction Agency (MCA) is government agency under the ministry of transport established to build regional access roads in the urban part of the capital city. In 2021, MCA advertised an international open tender for the construction of 42km express way in the capital city to grant access to farmers wanting to supply horticultural products to international markets via the international airport. Wang Yeng International Construction Ltd was single sourced and awarded the contract to construct and hand over the road by the end of the year 2022. In the year 2022, Wang Yeng International wrote to MCA requesting for more time to complete the work citing court cases due to land issues by the residents as the major reason hampering the progress of the work. MCA later realized during the routine inspection that Wang Yeng International Construction Ltd had abandoned the work before completion and had evacuated all the equipment from the site. MCA tried tracing the contractor using the contacts provided in the bidding documents but all efforts to trace Wang Yeng International Ltd efforts bore no fruits. Following the disappearance of Wang Yeng International Ltd from the site, MCA board decided that a new contractor be found to complete the work.

Required;

- Explain the benefits MCA could have obtained by monitoring the performance of Wang Yeng International Construction Ltd before disappearance. (6 marks)
- Describe the challenges MCA faced while measuring the performance Wang Yeng International Construction Ltd. (6 marks)
- Illustrate methodologies MCA could have adopted in measuring the performance of Wang Yeng International Construction Ltd. (6 marks)
- Justify what would be the most appropriate procurement method that MCA can use to complete the work abandoned mid-way by Wang Yeng International Ltd. (6 marks)
- Identify and explain the content that would modified by MCA to avoid such occurrences in future. (6 marks)

## **QUESTION TWO (20 MARKS)**

Whistleblowing is a critical component in ensuring commitment to business ethics. The policy and legal framework are intended to encourage employees, customers, service providers and the public to report suspected/actual occurrence of unethical, inappropriate or illegal practices and give them the assurance that they will be free from retribution.

Required;

- a) Explain how Section 21 of the Bribery Act 2016 provides for protection of whistle blowers and witnesses. (8 marks)
- b) Discuss the benefits of implementing corporate social responsibility to an organization. (6 marks)
- c) Implementing ethical procurement practices involves a comprehensive approach that integrates ethical considerations into every stage of the procurement process. Discuss the steps to help you implement ethical procurement practices. (6 marks)

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

- a) Obligations of business to consumers The company must always keep in mind that "the client comes first." And understanding the demands of clients is the most noticeable feature of every commercial organization, and it is a company's primary responsibility to a customer. Discuss the variety of responsibilities businesses have to their customers. (6 marks)
- b) (6 marks)
- c) should be undertaken, reviewed and managed throughout the Procurement Journey. Discuss the potential areas of risk in procurement cycle. (8 marks)
- d) Discuss the importance of business ethics to an organization. (6 marks)

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

- a) The aim of regulating procurement in the public sector is to ensure that procurement is streamlined to conform to international procurement laws and standards. It is a complex issue because of the multiple interests and objectives it strives to achieve simultaneously, coupled with adherence to numerous regulations and laws. Explain the importance of organizations complying with procurement laws and regulations. (8 marks)
- b) Suggest five eligibility criteria that special group suppliers must meet to benefit from the preference and reservation opportunities of government projects. (6 marks)
- c) Highlight the roles and responsibilities of Ethics and Anti- Corruption Commission. (6 marks)

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

- a) Kenya Institute of Supplies Management is a national body for professionals in the practice of procurement and supply chain management in Kenya. The Institute draws its mandate from the Supplies Practitioners Management Act No.17 of 2007 (the SPMA) to inter alia, register, license all supplies practitioners in Kenya and to regulate their practice. Explain the reasons that can lead to a person being disqualified by this body. (6 marks)
- b) Explain ethical procurement principles the procurement officers should adhere to. (6 marks)
- c) Discuss ethical dilemmas in modern business environment. (8 marks)