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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: 11TH DECEMBER, 2024
Time: 2.30PM-4.30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

International Purchasing is a critical function that facilitates acquisition and movement of goods between Nations to satisfy the different needs and wants of people.

- a) Briefly discuss “initial activity” that drives organizations and individuals to practice Supply chain activities **(5 Marks)**
- b) Briefly with an example for each, discuss the difference between purchasing and procurement. **(5 Marks)**
- c) Clearly differentiate local Purchasing and International purchasing. **(5 Marks)**
- d) Briefly explain the difference between Purchasing and Procurement in relation to supply management. **(5 Marks)**
- e) Clearly and with an example, differentiate the term international purchasing and Global procurement. **(5 Marks)**
- f) List **THREE** common documents that are used in international trade. **(5 Marks)**

QUESTION TWO (20 MARKS)

- a) “Quality” is a major requisite in both International and local purchasing. Expound on what is quality highlighting on two methods that can be used to certify quality in the international market. **(6 Marks)**
- b) Discuss three critical factors that can compel an organization to procure internationally. **(6 Marks)**
- c) Elaborate on three challenges that buyers in international markets are likely to face and their possible solutions when purchasing goods internationally. **(8 Marks)**

QUESTION THREE (20 MARKS)

- a) The world is said to be “a global village” in relation to global procurement because of a variety of critical pillars that have facilitated global trading. Discuss **THREE** key pillars that have made global procurement and trade possible. **(8 Marks)**
- b) “Incoterms” are terminologies that hold international businesses together during contract execution as they show responsibility and accountability when handling goods in transit. Discuss the term and elaborate on **TWO** commonly used incoterms. **(6 Marks)**

- c) Negotiations are a key area for consideration in international purchasing contracts. Discuss **THREE** key strategies that you must consider when planning for negotiation meeting for your contract. **(6 Marks)**

QUESTION FOUR (20 MARKS)

- a) International purchasing facilitates the acquisition of goods, services and livestock products internationally using the “Ro-ro” concept until when the shipment reaches your country or organization. Define the “Ro-ro” concept highlighting on **THREE** factors that you must consider before choosing any mode of transport. **(8 Marks)**
- b) In all procurement activities, material specification is a critical factor which demand for careful consideration,
- i. Define what is material specification. **(2 Marks)**
 - ii. Give **TWO** justifications as to why material specification is key in material acquisition. **(2 Marks)**
 - iii. Highlight on **THREE** methods of specifying materials or requirements. **(2 Marks)**
- c) Differentiate the terms “sourcing” and “outsourcing” listing **TWO** challenges of outsourcing to an organization. **(6 Marks)**

QUESTION FIVE (20 MARKS)

- a) As a patriotic Kenyan consultant, advice your government on three dangers of over relying on international purchasing as the government’s source of materials and services. **(6 Marks)**
- b) “Green issues” and “Ethics” are two critical factors that when adapted improve business status by guaranteeing discipline and future continuity. Differentiate the terms expounding on **TWO** related positive examples for each. **(6 Marks)**
- c) “Disputes” are an unavoidable occurrence in international purchasing. Highlight on what is a dispute giving an example and the best possible way of solving the dispute. **(8 Marks)**