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KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
FIRST YEAR, SECOND SEMESTER EXAMINATION
FOR THE DIPLOMA IN PROCUREMENT & SUPPLIES
MANAGEMENT
DPS 1302: PURCHASING MANAGEMENT

Date: 13TH DECEMBER, 2024
Time: 8.30AM-10.30AM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Identify **THREE** objectives of the Purchasing management function in an organization. (5 Marks)
- b) With the aid of **THREE** examples, differentiate between State three differences between “Buying” and the “Procurement function” as far as the acquisition of goods and services is concerned. (5 Marks)
- c) Briefly define the term “quality” listing one reason which justifies its importance. (5 Marks)
- d) Procurement or purchasing and supply function is a busy function that deals with the acquisition of goods, services and farm products from their sources to where they are “needed”. Highlight on what the “initial” factor or activity in the supply chain represent (5 Marks)
- e) Briefly state what the term “Benchmarking” represents in purchasing management. (5 Marks)
- f) Purchasing management has a lot of activities that facilitate acquisition of goods and services. Explain **TWO** of those activities (5 Marks)

QUESTION TWO (20 MARKS)

- a) Highlight on **THREE** key Procurement operations that support the growth of an organization through the Procurement function. (6 Marks)
- b) Discuss three ways that the Purchasing management function can improve the business status of your organization. (6 Marks)
- c) Centralized and decentralized procurement systems are commonly used by different organizations today in the acquisition of goods and services. Differentiate the **TWO** listing one merit and demerit for each system. (8 Marks)

QUESTION THREE (20 MARKS)

- a) Purchasing management is a critical function with the mandate of acquiring goods and services. Briefly expound on three documents that are commonly used in materials management. (6 Marks)
- b) Discuss the “Ishikawa fishbone” concept, highlighting on why it is critical to have a quality department in an organization. (6 Marks)

- c) Highlight on **THREE** challenges that are very likely to happen when an organization is producing and selling substandard or low-quality products. **(8 Marks)**

QUESTION FOUR (20 MARKS)

- a) Purchasing organizational structure has three key areas that promotes the department's success. Briefly discuss the **THREE** operational areas. **(6 Marks)**
- b) Kenya Bureau of Standards (KEBS) is a critical government Quality agency which has the sensitive mandate of handling the county's quality matters. Discuss **THREE** merits of having our quality agency. **(6 Marks)**
- c) "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. **(8 Marks)**

QUESTION FIVE (20 MARKS)

- a) Discuss the meaning of the term "supplier development" in purchasing management highlighting **THREE** activities that may be done during the supplier development exercise. **(8 Marks)**
- b) With the aid of three performance indicators, define the meaning of the term "Supplier evaluation" in supply chain management. **(6 Marks)**
- c) Clearly elaborate the difference between sourcing and outsourcing giving **TWO** challenges of outsourcing. **(6 Marks)**