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KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR
FIRST YEAR,FOURTH SEMESTER EXAMINATION
DIPLOMA IN PROCUREMENT AND SUPPLIES MANAGEMENT
DPS 1117-INTERNATIONAL PURCHASING

Date:28th July 2022
Time:11.30am-1.30pm

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY)AND ANY OTHER TWO QUESTIONS

QUESTION ONE COMPULSORY (30 MARKS)

National Semi-Conductor, whose list of competitors includes Motorola Inc and the inter comp., is one of the world's largest manufacturers of digital and devices and subsystems that are used in fax machines, cellular phones, computers and cars. Currently, the company has four water fabrication facilities. Three in the US and one in Great Britain and has test and assembly sites in Malaysia, China and Singapore. After assembly, finished products are shipped to hundreds of manufacturing facilities all over the world, including those of Apple, Canon, Delphi, Ford, IBM and Siemens.

Since the Semi- Conductor industry is highly competitive and short lead-time specification and the ability to deliver within the committed due date are critical capabilities. In 2021, 95% of the National semi conductor customers received their orders within 90 days. These light lead times required the company to involve 12 different airline carriers using about 20 different routes. \

The difficulty of course was that no customer knows in advance if they were going to be part of the 5% customers who received their orders in 90 days or the 95% who received their orders within 45 days. This made the company realise that finding the best system wide or globally optimal, integrated solution is so difficult and also supply chain relations change over time.

REQUIRED

- a) Making reference to National Semi-Conductor, discuss the role of international procurement in Supply Chain (5 Marks)
- b) Explain the International Market entry Evaluation Process that National Semi-Conductor adopted before venturing into international market (5 Marks)

- c) Culture has a major impact on international purchasing and supply. Explain the main aspects of a country's culture that can affect trading between countries. (5 Marks)
- d) The identification of suitable buyers is a key activity for an international trader. Explain the approaches that can be used to identify buyers. (5 Marks)
- e) Explain ten factors a company will consider in choosing the method of transport for the conveyance of goods. (5 Marks)
- f) Discuss sourcing strategies that are used by the Semi- Conductor industry to enhance competitiveness in their supply chain management (5 Marks)

QUESTION TWO (20 MARKS)

- a) With regard to the current incoterms 2010 published in September 2010 and effected on 1st January 2011, list and discuss the current incoterms groups (10 Marks)
- b) Global procurement involves interaction and communication with other nationals. Discuss the ethical issues and the associated considerations in global procurement giving an example in each case (10 Marks)

QUESTION THREE (20 MARKS)

- a) Bottom-Up Company Limited is involved in a dispute with one of the foreign suppliers. Explain the methods which the company would use to resolve the dispute (8 Marks)
- b) Many buyers are reluctant to buy from international sources due to a number of reasons. Briefly explain some of the potential problem areas international purchasing (8 Marks)
- c) The buyer must compare total cost of ownership before opting for an international supplier. Highlight examples of hidden costs incurred in global sourcing (4 Marks)

QUESTION FOUR (20 MARKS)

- a) Identify and discuss the Procedures involved in International Procurement (10 Marks)
- b) A freight forwarder acts as an agent when he performs functions on behalf of, and under the instructions of, the principal (the exporter or importer). Giving examples, discuss different types of freight forwarders. (10 Marks)

QUESTION FIVE (20 MARKS)

- a) Goods bought from overseas may not meet the specification required, Identify FIVE steps that a procurement officer should take to reduce the risk (10 Marks)
- b) Discuss and explain sources of information regarding global suppliers (10 Marks)