

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION 2016/2017

EXAMINATION FOR THE DEGREE OF BACHELOR OF LOGISTICS
MANAGEMENT 1ST YEAR SEMESTER II (MAIN CAMPUS)

BLM 3121: PROCUREMENT

DATE: APRIL 2017

TIME: 2 HOURS

INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

QUESTION ONE (COMPULSORY)

Capco Corporation Ltd is a State Corporation charged with the responsibility of procuring ICT for the government. The management of the Corporation comprise of the following departments: Finance, ICT, Procurement, Audit and Risk and legal. The current CEO joined the organization recently from the private sector. Since the organisation’s mandate is in procurement of ICT, the CEO prefers to work with ICT department and rarely involves procurement department when carrying out procurement and disposal activities.

In the year 2016, the items earmarked for purchase include servers, motor vehicles, computers, furniture and files. You have been hired by the board of Capco Ltd. to advise management on procurement issues.

- a) Advise the management on **five** consequences of failing to involve the procurement function in procurement and disposal planning activities. **(10 marks)**
- b) Demonstrate to the management **five** reasons why ICT department should work closely with procurement department. **(10 marks)**
- c) Advise the management **five** factors they should consider when procuring ICT equipment from suppliers. **(10 marks)**

QUESTION TWO (20 marks)

- a) Describe **five** essential elements that procurement manager need to consider when managing the contract. **(10 marks)**

- b) Explain **five** benefits of introducing e-procurement to the organization. **(10 marks)**

QUESTION THREE (20 marks)

- a) Discuss **five** benefits an organization can derive from embracing Just-In-Time (JIT) approach in inventory control. **(10 marks)**
- b) Discuss **five** ways on how an organization can reduce lead-time. **(10 marks)**

QUESTION FOUR (20 marks)

- a) Describe the process of purchasing cycle that reflects the interactions, at different levels, between purchasing and suppliers. **(10 marks)**
- b) Recently, JOOUST has been experiencing difficulties with suppliers on poor quality of products, late deliveries, unfilled orders and many more. Advice JOOUST on strategies to develop supplier performance and capabilities. **(10 marks)**

QUESTION FIVE (20 marks)

- a) Discuss **five** types of purchasing performance commonly practiced by organizations. **(10 marks)**
- b) Imagine you are working in the procurement department JOOUST and the University has approached you for an advice on matters of supplier sourcing policies. Explain **five** supplier sourcing policies that you can suggest to the University. **(10 marks)**

