



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**

**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS**  
**ADMINISTRATION – SUPPLY CHAIN MANAGEMENT**  
**4<sup>TH</sup> YEAR 2<sup>ND</sup> SEMESTER 2016/2017 ACADEMIC YEAR**

**MAIN CAMPUS**

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**COURSE CODE: ABA 445**

**COURSE TITLE: STRATEGIC PROCUREMENT MGT**

**EXAM VENUE: LAB 11                      STREAM: (BBA - SCM)**

**DATE: 21/12/16                              EXAM SESSION: 2.00 – 4.00 PM**

**TIME: 2    HOURS**

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**Instructions:**

- 1. Answer Question ONE (COMPULSORY) and ANY other 2 questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

### **QUESTION ONE**

- a) Define strategic procurement management. (2mks)
- b) Differentiate between cost leadership and cost reduction as firm strategies (4mks)
- c) List four environmental factors that influences procurement strategies of a firm (4mks)
- d) Outline the benefits of strategic procurement. (5mks)
- e) What is e-procurement. (2mks)
- f) What is benchmarking in procurement? (3mks)

### **QUESTION TWO**

- a) More than 50% of laid down strategies fail at implementation stage. Failure of strategies means a lot to the firm as after formulation, more resources are allocated the proposed strategies and failure of the same may mean a big loss to the firm. As a procurement officer in-charge, describe ways and mechanisms that you will ensure the laid down strategies are implemented realization of performance. (10mks)
- b) Competitive advantage is defined as a condition or circumstance that puts a company in a favorable or superior business position. It is however considered an impossible mission in business of modern times. Discuss why it is difficult for procurement team to develop and maintain strategic competitive advantage in the market. (10mks)

### **QUESTION THREE**

One of strategic management tool is supplier relation management. Discuss why and how procurement department should use this tool and its importance in its management. (20mks)

### **QUESTION FOUR**

Outsourcing is whereby another firm is handed over a task to perform while the main organization continues with other functions. Discuss factors that will lead to adoption of outsourcing as a strategy and how best to go about handling outsourcing as a procurement officer. (20mks)

### **QUESTION FIVE.**

- a) Under what circumstances would you recommend an organization to adopt freewheeling opportunism? (10mks)
- b) How can procurement department align its strategies to be in line with the overall firm's strategies? (10mks)