



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS**  
**ADMINISTRATION**  
**3<sup>RD</sup> YEAR 1<sup>ST</sup> SEMESTER 2018/2019 ACADEMIC YEAR**  
**MAIN**

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**COURSE CODE: ABA 344**

**COURSE TITLE: ETHICS IN PURCHASING AND SUPPLY**

**EXAM VENUE:**

**STREAM: (BBA)**

**DATE:**

**EXAM SESSION:**

**TIME: 2 HOURS**

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**Instructions:**

- 1. Answer questions ONE and ANY other TWO 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 the following terms;
- Ethics
  - Integrity
  - Code of conduct
  - Fairness
  - Confidentiality (10mks)
- b) Outline *five* ways in which a procurement officer should behave to uphold integrity (10mks)
- c) Explain *two* degrees of transparency (10mks)

## SECTION B

### QUESTION TWO

- a) Explain *five* ethical risks in purchasing and supply. (10mks)
- b) Describe any *five* potential warnings signs of unethical practices (10mks)

### QUESTION THREE

- a) Explain any *five* tools used to prevent and detect unethical practices (10mks)
- b) Explain any *four* fraud scenarios in purchasing and supply (10mks)

### QUESTION FOUR

- a) Describe *seven* possible areas of risk in the procurement cycle. (14mks)
- b) Briefly explain any *three* organizational procedures that should be in place to avoid unethical practices. (6mks)

### QUESTION FIVE

Poor procurement ethics impacts negatively. Discuss? (20mks)

## JARAMOGI OGINGA ODINGA UNIVERSITY OF TECHNOLOGY

### ABA 334: ETHICS IN PURCHASING AND SUPPLY

Lecturer: Mr Atego C.O

### COURSE PURPOSE

To equip the learners with the knowledge of the fundamental principles and practices of ethics in purchasing and supply

### **LEARNING OUTCOMES.**

By the end of this course, learners should be able to:

- 1) Outline the concepts of ethics.
- 2) Explain characteristics of professional standards in an organization
- 3) Asses the ethical risk in purchasing and supply.

### **COURSE DESCRIPTION**

#### **Introduction to ethics in purchasing and supply.**

- Meaning.
- definitions

#### **Characteristics of professional standards**

- . Code of ethics
- Honorable behavior.
- Trust and confidence.
- Organization's standards and policies.
- Conflict of interest

#### **, Ethical concepts and principles**

- loyalty and respect for rules and regulations
- integrity
- impartiality and fairness
- transparency
- confidentiality
- avoidance of appearance of impropriety
- Due diligence.

#### **Ethical risks in procurement and actions.**

- conflict of interest
- fraud

- corruption
- coercion

### **Tools and mechanisms to prevent and detect unethical practices**

- Management responsibility
- Code of ethics
- Organizational procedures
- Personnel policies and procedures
- Accounting controls
- Segregation of duties
- Control systems
- Controls in procurement
- Financial approval policy
- Control over goods and services received

### **TEACHING METHODOLOGY**

Group discussions, presentations, lectures, and tutorials

### **INSTRUCTIONAL MATERIALS.**

Lecture notes, textbooks, journals, newspaper articles, and illustration charts for demonstration.

### **COURSE EVALUATION**

Continuous assessment	30%
Examination	70%
<b>Total</b>	<b>100%</b>

### **RECOMMENDED TEXT.**

Standards of Conduct in the International Civil Service 2001; ST/SGB/2002/13, *Regulation 1.2 (i) and V, 35.*

Public Procurement and Asset disposal Act 2015

### **RECOMMENDED JOURNALS**

- 1) International journal of Ethics in procurement.