



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS**  
**ADMINISTRATION WITH IT**  
**3<sup>RD</sup> YEAR 1<sup>ST</sup> SEMESTER 2016/2017 ACADEMIC YEAR**  
**KISII CAMPUS-PART TIME**

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**COURSE CODE: ABA 336**

**COURSE TITLE: SUPPLY CHAIN PROCESSES**

**EXAM VENUE:**

**STREAM: (BBA )**

**DATE:**

**EXAM SESSION:**

**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**

- i. Van Weale and Rozerneijer (Revolution in supply Chain management) identify a key trend in the development of supplier management towards supply chain management: ' involving supply partners in different business processes, instead of simply buying goods and services from them as efficiently and effectively as possible.' Many organizations, though, have not adopted the Supply Chain Management approach in their business processes. Using relevant examples, discuss 2 benefits and 2 short comings such organizations may have if they adopted the supply chain management approach (10 marks)
- ii. There is a clear business case for procurement planning. Discuss 4 reasons that justify procurement planning ( 10 marks)
- iii. For effective monitoring and administration of contracts there is need for proper crafting of contracts. Highlight the major components you may include when drafting a contract for an organization that has requested you to draft one between it and one of its supplier ( 10 marks)

## **QUESTION TWO**

- i. The application of functional specialism creates silos in organizations which affect the smooth flow of information, funds, goods and services. This has led to the emergence of functional teams. Effective procurement will make extensive use of such teams. Discuss four benefits of using cross-functional teams in the procurement process (10 marks)
- ii. The process of specifying services is more complicated than that of specifying goods. using examples explain briefly some reasons why services are difficult to specify than products ( 10 marks)

## **QUESTION THREE**

- i. In order to come up with effective specifications a purchaser or a cross-functional team relies on information available to them. Discuss the information that a purchaser or cross-functional team may need to come up with effective specifications ( 10 marks)
- ii. One way that buyers use to appraise their suppliers is their financial position. Explain two reasons for financial appraisal of suppliers (4 marks)

- iii. Discuss three possible sources of financial information on a supplier that a buyer has within his discretion to use to appraise a supplier ( 6 marks)

#### **QUESTION FOUR**

- i. A business case is used for justification of a procurement or sourcing project in terms of its benefits, balanced against any recognized constraints, costs and risks involved in obtaining the benefits. In other words procurement activities should not be conducted for the sake of procurement or because it is embedded in organizational procedures, processes, customs or assumed technical requirements. Using examples discuss the elements that one may include when coming up with a formal business case ( 10 marks)
- ii. The model forms of contracts are gaining prominence in many areas. Discuss some of the short comings and advantages of using model form contracts (10 Marks)

#### **QUESTION FIVE**

- i. What is a key performance indicator? Discuss four benefits of using key performance indicators to appraise supplier performance ( 10 marks)
- ii. The default tendering method in public procurement is open tendering. However, there are instances when other methods of tendering may be used. Highlight the instances when other methods may be used ( 10 marks)