



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF LOGISTICS
AND SUPPLY CHAIN MANAGEMENT
3RD YEAR 2ND SEMESTER 2022/2023 ACADEMIC YEAR
KISUMU CAMPUS

COURSE CODE: BAB 1350

COURSE TITLE: Ethics in Purchasing and Supply Chain Management

EXAM VENUE:

STREAM: (BLSM)

DATE:

EXAM SESSION: SEPT-DEC

TIME: 2 HOURS

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) Identify the Universal ethical principles that apply across all professions. (6 marks)
- b) Enumerate the rules that should guide any purchasing professionals when receiving gifts or hospitality from suppliers. (6 marks)
- c) Fraud means the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his/her detriment. Identify the various forms of fraud in purchasing and supply chain management. (6 marks)
- d) Highlight the warning signs/indicators of unethical practices in Purchasing. (6 marks)
- e) Expound on provisions in the Public Procurement and Asset Disposal Act (2015) that relate to ethics in purchasing. (6 marks)

QUESTION TWO

- a) The primary value of a professional code of conduct is not as a checklist for disciplining non-conforming members, although breaches of a code of conduct usually do carry a professional disciplinary consequence. Rather, its primary value is to act as a prompt sheet for the promotion of ethical decision-making by members of that profession. Explain how and whom professional codes of conduct provide benefits. (10 marks)
- b) Integrity means believing that the public trust is so important that it cannot be compromised. Procurement officers are expected to maintain superior standards of integrity. Explain how a purchasing officer can demonstrate integrity when carrying out his roles at the work place. (10 marks)

QUESTION THREE

- a) You have been appointed as the Purchasing Manager of a Public-Private Partnership (PPP) project aimed at improving infrastructural structures across the country. Suggest the ethical risks you are likely to experience when carrying out your roles. (10 marks)
- b) Discuss the main principles of professional ethics in procurement. (10 marks)

QUESTION FOUR

- a) The internet is creating a new environment in which unethical behavior has far greater implications for companies than was previously the case. In particular, the balance of power in e-trading, as exemplified by e-auctions, e-tendering and e-procurement is shifting in favor of the purchaser. Propose a typical code of Electronic-Ethics. (10 marks)

- b) The purchasing cycle is a potential area of ethical risks and it calls for every purchasing professional to be on the look-out since organizations face financial and reputational risks when ethical issues arise during the purchasing process. Justify this statement using the purchasing cycle while identifying ethical issues that can arise at each stage of the cycle. (10 marks)

QUESTION FIVE

- a) Probably most purchasing people think of ethical code as being remote from the real world. This may be because work leaves little time for reflection. The requirement to maintain an unimpeachable standard of integrity in all business relationships is fine until one questions the meaning of ethics and to whom the duty of being ethical is due. Discuss criticisms of ethical code in purchasing as propagated by opponents of ethical code in purchasing. (10 marks)
- b) No one ever said leading was easy, much less leading with ethics. But the latter is very important. It is the difference between a good executive, in the full sense of the expression, and one who only knows how to achieve technical perfection, and how to do things right, but does not know how to do what needs to be done in each case, with long-term vision and a sense of responsibility. Yes it is hard to be ethical in business, but it is necessary. With reference to these sentiments, explain why being ethical in business is difficult, given the nature of tasks involved in leading an organization. (10 marks)