



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMIC

**UNIVERSITY EXAMINATION FOR THE DIPLOMA OF BUSINESS
ADMINISTRATION**

1ST YEAR 2ND SEMESTER 2024/2025 ACADEMIC YEAR

MAIN CAMPUS

COURSE CODE: BBM 2124

COURSE TITLE: PRINCIPLES OF PROCUREMENT

EXAM VENUE:

DATE: 23/04/2025

EXAM SESSION: 3.00 – 4.30 PM

TIME: 1 ½ 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) Define procurement and state two ways by which organizations do their procurement in everyday practice (6 marks)
- b) The supply chain is broadly divided into three flows .Identify and explain each of the three
- c) Explain the following terms as used the supply chain
 - i. Bidding
 - ii. Reference check
 - iii. Reverse logistics
 - iv. Supply chain management (8 marks)
- d) Explain any five advantages of outsourcing to an organization (10 marks)

QUESTION TWO

Discuss the procurement process in an organization (20 marks)

QUESTION THREE

- a) List and explain the relevant considerations in make or buy decisions made by management (10 marks)
- b) State and briefly explain the objectives of procurement (10 marks)

QUESTION FOUR

- a) Explain the guiding principles which the procurement officers need to understand in soliciting information about the source of supplier (10 marks)
- b) What are the objectives of inspection of materials (4 marks)
- c) Write short notes on
 - i. Right Quality
 - ii. Right Time
 - iii. Right Price (6 marks)

QUESTION FIVE

- a) What is negotiation in procurement (2 marks)
- b) State the qualities of a good negotiator (8 marks)
- c) Provide a concise definition of the following terms –
 - i. Purchase order (2 marks)
 - ii. Tender (2 marks)
 - iii. Quotation (2 marks)
 - iv. Stock control (2 marks)