



*(University of choice)*

**MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)**

**UNIVERSITY EXAMINATION**

**2021/2022 ACADEMIC YEAR**

***(SPECIAL/SUPPLEMENTARY EXAMINATION)***

**FOR DIPLOMA**

**IN**

**BUSINESS ADMINISTRATION**

**COURSE CODE: DBA 110**

**COURSE TITLE: PRINCIPLES OF PURCHASING AND SUPPLIES MANAGEMENT**

**DATE: THURSDAY, 4<sup>TH</sup> AUGUST 2022    TIME: 8:00 – 10:00AM**

**INSTRUCTIONS TO CANDIDATES:**

1. ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS
2. DO NOT WRITE ANYTHING ON THE QUESTION PAPER.

**TIME: 2 HOURS**

**MMUST observes ZERO tolerance to examination cheating**

## **SECTION ONE**

1. a) Discuss the main objectives of negotiation for purchasing (10mks)
- b) Discuss the purchasing cycle (10mks)
- c) Discuss the functions of a purchasing organisation (10mks)

## **SECTION TWO (ANSWER ANY TWO QUESTIONS)**

- 2a) Discuss three forms of purchasing departments stating their advantages and disadvantages. (20mks)
- 3a) A specification is a statement of requirement written by user departments. Discuss the main principles of specification writing. (10mks)
  - B) Explain the reasons why the user department should write a specification when making an order. (10mks)
- 4a) Inspection of purchased materials is the major function of purchasing department. Discuss the importance of inspection to an organisation. (10mks)
  - b) Discuss the challenges of purchasing internationally. (10mks)