(University of Choice)

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY

(MMUST)

UNIVERSITY SPECIAL/SUPPLEMENTARY EXAMINATIONS

2021/2022 ACADEMIC YEAR

FIRST YEAR SEMESTER TWO EXAMINATION

FOR DIPLOMA

IN

BUSINESS MANAGEMENT

COURSE CODE: DBA 227

COURSE TITLE: INTERNATIONAL PURCHASING

DATE: WEDNESDAY, 3RD AUGUST 2022   **TIME:** 2:00 – 4:00PM

INSTRUCTIONS TO CANDIDATES

Answer QUESTION ONE and any OTHER TWO questions

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

This paper consist of 2 printed pages. Please turn over.

Questions 1

a) Discus Factors to consider when selecting a mode of transport. **(8 marks)**
b) Mentions Types of letter of credit   (5marks)
c) Differentiate cultural relativism and cultural imperialism from global sourcing perspectives   **(4marks)**

d) Highlight Types of Regional Trade Agreements.   **(8marks)**

Question 2

a.) International trade terms often sound similar to those used in domestic business but generally bear different meanings. Briefly describe the following terms as used in international purchasing.   **(6 marks)**
   i. Piggybacking
   ii. Strategic alliance
   iii. EXW - Ex Works
b) When things go wrong in commercial transactions i.e. the buyer refuses to pay, the product is inferior, shipment arrives late, the international purchaser have various resolutions actions. Discus any five dispute resolutions methods **(14marks)**

Question 3

a) Give five Functions of clearing and forwarding agent.   **(10 marks)**

b) Give reasons why country like Kenya will engage in importations.   **(10 marks)**
Question 4

a) The procurement officer of Masinde Muliro university (MMUST) intend to procure some commodities from international sources. Explain the problems which the officer may encounter from this move.   **(10marks)**

b) Highlight Contents of a sales contract in international purchasing content   **(10 marks)**

Question 5

a.) For buyers and sellers that are engaged in international purchasing, they may experience one or more risks. Discuss those risks and their mitigations. **(20 marks)**