University of Choice)

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

UNIVERSITY MAIN EXAMINATIONS
2023/2024 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER EXAMINATIONS
FOR THE DEGREE
OF
BACHELORS OF COMMERCE

COURSE CODE: BCB 344

COURSE TITLE: INTERNATIONAL PURCHASING

DATE: THURSDAY, 21ST /12/2023 **TIME**: 8:00 - 10:00AM

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer other TWO questions
Do not write anything on the question paper

MMUST observes ZERO tolerance to examination cheating

Answer Question One (Compulsory) and any other Two Questions

The electoral commission is once again shopping for new ICT equipment to manage next year's election, even as it began yesterday's nationwide voter enrolment using biometric registration kits issued by controversial French firm OT Morpho.Suppliers have up to 11am on Thursday to place bids for the supply, delivery, installation, testing, commissioning, support and maintenance of a new Kenya Integrated Elections Management System (Kiems).

The contract for the current system installed in 2012 and whose contract was single sourced at Sh6 billion to OT Morpho for the 2017 elections officially ended in January. Since then, there has been a controversy on whether to re-issue the contract to OT Morpho, a French firm, which is now known as Idemia, or to issue a fresh tender. A first attempt to replace Idemia through competitive bidding in May ran into headwinds after three months after the Independent Electoral and Boundaries Commission (IEBC) was ordered midway through the procurement process to start afresh at the beginning of last month.

Question 1

a. Explain the reasons why the Kenyan government, through the IEBC, resorted to international purchasing of the ICT equipment for its general elections from a French firm OT Morpho Suppliers

(10 marks)

b. What are the risks that the Kenyan government/the IEBC runs into as a result of resorting to international purchasing of ICT equipment? (10 marks)

c. Explain the methods of payment in international trade that the Kenyan government can use to pay the successful supplier of the ICT equipment

(10 marks)

Question 2

a. You have been appointed as a purchasing manager at ABC Limited whereby all its purchases are sourced globally. What key components of the political environment would you put in mind as you engage in international purchasing at the firm? (10 marks).

b. List and explain the 3 bases of international legal system explaining the key features of each

(10 marks).

Question 3

a. Outline 5 organizations that are involved in international trade and the functions they serve. (10marks)

b. The purchasing manager of Kamaki Limited is in the process of negotiating a supply contract with an international supplier that would be transported using sea/inland waterway. Highlight and explain the INCOTERMS that he should be well aware of as he goes into the negotiations

(10 marks)

Question 4

a. Explain the importance of trading blocs in international purchasing

(10 marks)

b. Highlight on the role of the IMF and the World Bank in international trade

(10 arks)

Question 5

a) What risks does the economic environment pose to organizations during international purchasing? (6marks)

b) Explain the risks that come with the use of letters of credit in international purchasing (4marks)

c) What are some of the sources of information about overseas suppliers? (10 marks)