

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS MANAGEMENT
BACHELOR OF COMMERCE (HONOURS) DEGREE IN MANAGEMENT
PURCHASING AND STORES MANAGEMENT—CBU 2205
SUPPLEMENTARY EXAMINATIONS-JULY 2014
TIME ALLOWED: 3 HRS

INSTRUCTIONS TO CANDIDATES

- i) Answer any **four** questions.

INFORMATION TO CANDIDATES

- i) All questions carry 25 marks each
- ii) Questions may be answered in any order
- iii) Credit will be given for the use of appropriate examples
- iv) This paper contains seven questions.

This examination paper contains 3 pages

Question 1

'The buyer must be *pro-active rather than re-active, managerially competent rather than clerically efficient* and be more *concerned with strategic rather than operational problems.*' Examine this viewpoint. **[25 marks]**

Question 2

a) Discuss reasons why companies source internationally. **[10 marks]**

b) Explain the difficulties that may be encountered in sourcing internationally.

[15 marks]

Question 3

Set out in detail the arguments which you would use to convince a skeptical Chief Executive that purchasing is more than a routine clerical activity dealing with the processing of purchase orders. **[25 marks]**

Question 4

a) Define purchasing negotiation. **[5 marks]**

b) Discuss the process of negotiation. **[20 marks]**

Question 5

With the aid of relevant examples discuss the supplier selection process.

[25 marks]

Question 6

a) Define tendering. **[5 marks]**

b) Explain any three types of tenders. **[20 marks]**

Question 7

Discuss 'make or buy decisions' as they occur at the three levels of an organization.

[25 marks]

END OF EXAMINATION PAPER