

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
FINAL EXAMINATIONS-MAY 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.

Question 1

Explain the following terms as they apply to purchasing and stores management:-

- a) EOQ (Economic Order Quantity); **[5 Marks]**
- b) Consignment; **[5 Marks]**
- c) RFQ (Request for Quotation); **[5 Marks]**
- d) Kanban; **[5 Marks]**
- e) Expediting. **[5 Marks]**

Question 2

Explain the activities that take place on each stage of the Purchasing cycle and assess the importance of each in contributing to the effectiveness of purchasing management.

[25 Marks]

Question 3

The growing use of JIT AND MRP has resulted in most companies staying away from keeping safety stocks .Examine the effects this has upon the importance of the expediting function.

[25 Marks]

Question 4

'The criteria on which a successful purchaser should be judged spring from his ability to shop around and select good suppliers and not on his ability to shop around for cheap buys.' Critically evaluate this statement.

[25 Marks]

Question 5

Name five important sources of information regarding suppliers and their capabilities showing clearly the importance and relevance to effective purchasing management of each source.

[25 Marks]

Question 6

What factors should be considered when selecting a supplier of capital equipment?

[25 Marks]

Question 7

Discuss '*quantity*, as one of the purchasing rights.

[25 Marks]

END OF EXAMINATION PAPER