

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD OF MASTER OF PROCUREMENT AND LOGISTICS MANAGEMENT**

**MPLM 818: INTERNATIONAL PROCUREMENT AND LOGISTICS**

**STREAMS: Y2S1 - PART TIME**

**TIME: 3 HOURS**

**DAY/DATE: THURSDAY 7 /10/ 2021**

**8.30 AM – 11.30 AM**

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**INSTRUCTIONS:**

- Answer Question One (COMPULSORY) and any other Two Questions

**QUESTION ONE**

**Given (Case Study)**

“Kenya’s trade with China is rarely far from the headlines. The latest is a widely reported claim that China could seize Kenya’s assets over debt. This interest comes from increased trade between the two countries. In November 2018 President Uhuru Kenyatta said trade with China had grown “more than eighty-fold” between 2007 and 2017. Kenyatta was speaking at the opening of the first China International Import Expo in Shanghai.

“China now ranks as the number one trading partner with Kenya, accounting for 17.2% of Kenya’s total trade with the world, “Kenyatta said.

It is expected that the export of avocados to China will be very beneficial to Kenya and her farmers in the medium and long term. Given China’s population of approximately 1.39 billion, the Asian nation is indeed a major trade market making this agreement a boost to Kenya’s trade exports. Other products exported to the Chinese market include hides, skins coffee, tea, titanium ores and plastics. Similarly, Kenya imports leather, rubber, machinery, transport equipment and chemicals from China.

The resulting trade deficit between Kenya and China has been an area of concern for the Government of Kenya, with President Kenya spearheading efforts to normalize the trade imbalance and therefore foster a mutually beneficial trade partnership with the Asian nation. This trade imbalance was seemingly acknowledged by China’s President Xi Jinping during a trade show hosted in Shanghai, China in late 2018 wherein the Chinese premier gave firm assurance of his intent to bridge the trade imbalance between Kenya and China.”

**Required:**

- a) Based on the above case how would you execute importation of Posho mill from China as a Kenyan trade. [10 Marks]
- b) Examine the challenges Kenyan and Chinese traders are subjected to during their trade interaction and how can be mitigated. [10 Marks]
- c) Suggest the key initiatives that Kenyan government needs to formulate to improve the competitiveness of Kenyan products in order to bridge the trade deficit between the two countries. [10 Marks]

**QUESTION TWO**

- a) Explain the main objectives of General Agreement on Trade and Tariffs (GATT) as outlined in the contract of international sale of goods. [7 Marks]
- b) Examine five INCOTERMS that are suitable for maritime transport and demonstrate how they have facilitated global trade. [8 Marks]

**QUESTION THREE**

- a) Explain as a clearing agent how you would go about the customs clearance of imported vehicle from Japan. [10 Marks]
- b) Examine the main documents used in international purchasing and how they have contributed to flow of goods across the globe. [10 Marks]

**QUESTION FOUR**

- a) Analyze the contribution of International procurement in the attainment of The Big Four Agenda and Vision 2030. [10 Marks]
  - b) Critically evaluate the main cost involved in the inbound and outbound transportation in a modern logistics setup. [10 Marks]
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