

CHUKA

UNIVERSITY



## UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF MASTER OF SCIENCE  
IN PROCUREMENT AND LOGISTICS MANAGEMENT**

**MPLM 815: PROCUREMENT MANAGEMENT****STREAMS: MPLM (Y2S1) ODEL****TIME: 3 HOURS****DAY/DATE: MONDAY 14/04/2025****8.30 A.M. – 11.30 A.M.****INSTRUCTIONS**

- **Answer question ONE (Compulsory) and any other THREE questions**

**QUESTION ONE (30 Marks)****Case****Study:**

ABC Manufacturing Ltd is a mid-sized company specializing in consumer electronics. Recently, the company has faced challenges with delays in deliveries, substandard materials, and disputes with suppliers. The procurement manager, Ms. Jane, discovered that the company had been using outdated purchasing procedures and lacked clear supplier evaluation criteria. Additionally, contracts were being signed without thorough negotiation of terms.

To address these issues, Ms. Jane proposed implementing a formalized procurement procedure, introducing supplier performance evaluations, and adopting professional purchasing behaviors aligned with industry standards. She also suggested reviewing their current sourcing methods and exploring options such as leasing and framework agreements.

**i. Required:**

Identify and discuss three key weaknesses in ABC Manufacturing Ltd's current procurement procedures. (10 Marks)

- ii. Propose FIVE mechanisms that the company should adopt to improve control over quantity and quality during procurement. (10 Marks)
- iii. Explain FIVE importance of professional behavior in the purchasing function and its impact on supplier relationships. (10 Marks)

**QUESTION TWO (20 Marks)**

- i. Explain FIVE objectives of purchasing, highlight ways in which budgetary controls support these objectives. (10 Marks)
- ii. Discuss the authority to purchase and procure in an organization, highlighting TWO sources of such authority. (10 Marks)

**QUESTION THREE (20 Marks)**

- i. Differentiate between the following purchasing methods:
  - Open tendering
  - Restricted tendering (10 Marks)
- ii. Discuss TWO types of contracts commonly used in procurement and their implications. (10 Marks)

**QUESTION FOUR (20 Marks)**

- i. Explain FIVE ways in which commerce and legal implications influence purchasing decisions. (10 Marks)
- ii. Discuss FIVE organizational implications on professional behavior in purchasing. (10 Marks)

**QUESTION FIVE (20 Marks)**

Explain FIVE significance of information sources in purchasing and list FIVE reliable sources of supplier information. (20 Marks)

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