

# UGANDA MARTYRS UNIVERSITY

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

BACHELOR OF BUSINESS ADMINISTRATION AND MANAGEMENT

END OF SEMESTER TWO EXAMINATIONS, BBAM III DAY 2021/2022

NKOZI AND LUBAGA

DEPARTMENT OF MANAGEMENT SCIENCE

**PSM 3103: STRATEGIC RELATIONS IN PROCUREMENT**

DATE: 20<sup>th</sup> July, 2022

Time allowed: 3hrs: 2.00pm – 5.00pm

**Instructions to Candidates:**

1. *Do not write anything on this question paper*
2. *Answer question ONE any TWO questions*
3. *Start every question on a new page*
4. *Mobile phones are NOT allowed in the examination room*

### QUESTION ONE (COMPULSORY)

Strategic procurement and supply chain as a whole has gain a lot of interest from various companies both locally and globally. Therefore, this area has been identified as critical for firms to out-compete their “opponents” through taking advantage of the opportunities brought about by embracing the supply chain as the business competitive unit. Despite the benefits derived from the strategy of embracing supply chain as a key competitive unit, there are drawbacks and challenges that are quite often met by the chain members.

Required: Basing on the recent field trip to the PPDA offices and Plascon paints and with specific emphasis on the latter, answer the following questions below;

- a) Explain the challenges that have over the time been faced by Plascon in respect to sourcing overseas. (12marks)
- b) Examine the strategies that the latter company mentioned above could apply in order to guard against future supplies disruptions. (12marks)
- c) Explain the various documentations involved in ensuring that the products procured from overseas are cleared and provided at the company’s premises for use in the production process. (14marks)
- d) Using an illustration/matrix, design a purchasing portfolio for Plascon paints. (4marks)
- e) Provide an explanation and justification for the products identified in each of the items in quadrants (8marks)

### QUESTION TWO

Supplier integration is considered a key managerial strategy for improving buyer performance and thus ensuring that both buyers and sellers benefit from the relationship. During new product or service development, various manufacturing firms are passing on the design responsibilities to their suppliers where they lack the core competencies.

- a) Explain the meaning of supplier integration with regard to new product or service development (3marks)
- b) Examine the benefits that the buyers mentioned above in providing the full design responsibility in integrating suppliers in the new product or service development. (12marks)



- from various
- c) Examine the enabling Factors for Integrated Product or Development (10marks)

### **QUESTION THREE**

The 'lean revolution' can be traced back to 1980s Japan where companies successfully operated just-in-time (JIT) systems. Over the subsequent decade elements of the Japanese manufacturing and inventory techniques were incorporated into the Western supply chains (CIPS: Lean and agile purchasing and supply management). Today, lean supply chain and lean manufacturing are applied to many organisational processes. Therefore lean supply chain should not be put in place for a short term but rather be embedded into the culture of the organization and the hearts of the employees.

- a) Examine the rationale for adoption of the lean supply chain by organizations (10marks)
- b) Explain the challenges faced in attempt to adopt the lean supply chain (10marks)
- c) Mention at least Five traits of lean supply chains (5marks)

### **QUESTION FOUR**

- a) Describe the concept of "strategic cost management" as applied in the supply chain. (5marks)
- b) Examine any **five** key elements or components applied in strategic cost management across enterprises in the supply chain (15marks)
- c) What are the drawbacks in attempt to manage costs across the supply chain? (5marks)

*End of Question Paper*