

UGANDA MARTYRS UNIVERSITY

NKOZI AND RUBAGA DAY

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

PROCUREMENT TACTICS AND OPERATIONS

BAM 111

SPECIAL/SUPPLEMENTARY EXAMINATION

DATE: 7th/08/2015

Time allowed: 3 hours:

INSTRUCTIONS TO CANDIDATES:

Read the following before answering the examination questions.

- a) Do **NOT** write anything on this question paper.
- b) Answer any other **FOUR** questions
- c) All questions carry equal marks
- d) Begin a new number on a fresh page
- e) Credit will be given for use of relevant examples and illustrations
- f) Mobile phones are **NOT** allowed in the examination room

QUESTION ONE

- a. Explain the factors that may influence the relative negotiating strength of the procurement officer and a supplies manager during negotiation process. (10marks)
- b. Explain the major issues that should be considered to have a successful negotiation? (10marks)
- c. Negotiators are required to have specific skills as part of the negotiators toolbox. What are the necessary skills a good negotiator must possess? (5marks)

QUESTION TWO

- a. Philip Crosby once said "quality is free but it is not a gift". Discuss this statement in relation to costs of quality. (15marks)
- b. Discuss using relevant examples the approaches to management of quality in procurement tactics and operations. (10marks)

QUESTION THREE

Write short notes on any five of the following (5marks each)

- a. Supplier appraisal and supplier selection
- b. Value analysis and value engineering
- c. Technical and performance specifications
- d. Single sourcing and sole sourcing
- e. Sources of supplier information
- f. Six-sigma
- g. Procurement requisition and needs specification

QUESTION FOUR

- a. State the various sources of supplier information and discuss the attributes of a good supplier (10marks)
- b. Explain the factors that can be considered when selecting suppliers. (5marks)
- c. Discuss the consequences of selecting a 'wrong' supplier to carry out procurement dealings in organizations. (10marks)

QUESTION FIVE

Preparing a specification is a core process in tendering and contracting, and is often considered a difficult task. Great care and consideration is required when writing the specifications because a poor description of requirements may mean that the product or service is not delivered as required.

- a. What considerations does one need to put into account before preparing specifications? (13marks)
- b. Explain the importance of specifications writing to organizations. (12marks)

QUESTION SIX

Capital equipments purchasing or procurement involves buying or acquiring items that will be used over a long period of time. Capital purchase involves the purchase of investment items which are often long lasting and are used as inputs to produce other products. The process of buying capital equipment can be long and complex and it certainly requires the use of risk analysis techniques, investment appraisal techniques and it may need a consideration of available alternatives such as leasing instead of actual buying. In the process of acquiring capital equipments many of the may not be easily obtained locally so they have to be obtained from overseas

- a. State any five (5) categories under which capital equipments fall. (5marks)
- b. Using relevant examples examine the characteristics of capital equipments. (10marks)
- c. Why would an entity prefer outright purchase to leasing in financing equipment? (10marks)

End of Question Paper