

UGANDA MARTYRS UNIVERSITY LUBAGA CAMPUS

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

DEPARTMENT OF MANAGEMENT SCIENCES

BAM III SEMESTER TWO 2017/18

COURSE UNIT: PROCUREMENT TACTICS & OPERATIONS

DATE: Thursday, 10th May 2018

Time allowed: 9:30am-12:30pm

Instructions to Candidates:

Read the following before answering the examination questions.

- This examination has **SEVEN** Questions worth 25 marks each. Attempt any **FOUR**
- All answers must be written in the answer booklet provided.
- All rough work and notes should be written in this answer booklet
- **DO NOT WRITE ANYTHING ON THE QUESTION PAPER**

Question one

- a) The management of UMU Holdings LTD intends to rebrand its image in the public by improving on its service delivery and has embarked on setting up different departments to execute different organization activities, but they are hesitant to set up a procurement department". As a student of procurement, advice management on the role the procurement department would play in the operations of the organization. **(15 marks)**
- b) Explain any five documents and their relevance in executing procurement activities. **(10 marks)**

Question Two

- a) "Information is a key resource in establishing leverage during a commercial negotiation". Examine ways in which a supplier might gather information on a procurement organisation when preparing for a commercial negotiation. **(15 marks)**
- b) Explain situations in which the bargaining power of a supplier is likely to be relatively high compared with that of a procurement organisation in a commercial negotiation. **(10 marks)**

Question Three

- a) "Assuming they appointed you as a team leader for Steel and Tube Industries on a project of developing its supply database". Clearly explain sources where information about potential suppliers can be obtained? **(10 marks)**
- b) Discuss the supplier sourcing process **(15 marks)**

Question Four

"When outsourcing decisions are made on the basis of an in-depth understanding of the organization's core competencies, and are intended to build or enhance the organization's competitive advantages, outsourcing becomes strategic"

Required;

- a) Describe factors that have contributed to the growth of outsourcing **(15 marks)**
- b) Explain reasons why outsourcing projects may fail to achieve their expected benefits **(10 marks)**

Question Five

"Specifying is the most determining step with regards to the success of Procurement, simply because this is the stage in which what is going to be purchased is defined" commented one of the participants during a procurement seminar.

Required;

- a) Differentiate between conformance and performance specifications clearly showing when each is most applicable. **(15 Marks)**
- b) Highlight the qualities of specifications that you will consider as you specify any item of your choice. **(10 Marks)**

Question Six

- a) Many factors influence buying decisions, the implication here is that a number of factors have to be considered when acquiring capital items. Briefly explain them **(15 marks)**
- b) Examine the role of a procurement officer in the acquisition of capital equipment **(10 marks)**

Question seven

Write short notes on the following;

- a) Value chain analysis **(5 marks)**
- b) Revenue expenditure **(5 marks)**
- c) External stakeholders **(5 marks)**
- d) Order cycle time **(5 marks)**
- e) Multiple sourcing strategy **(5 marks)**

END