

UGANDA MARTYRS UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT

PROCUREMENT TACTICS AND OPERATIONS
(SUPPLEMENTARY/ SPECIAL)

Examination

2013 - 2014

BAM III – NKOZI CAMPUS

Date: 08th / 08/ 2014

Time allowed: 3 hours

Instructions

1. Do not write anything on the question paper
 2. Attempt four questions in all
 3. Question one is compulsory
 4. Only 3 questions in Section B should be attempted. Each of the questions in Section B carry equal marks
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SECTION A – COMPULSORY

Question one

- a. Describe the concept "effective negotiation" and show the key steps that the negotiators may follow during negotiations in order to achieve their intended goals. **(10marks)**
- b. Using the knowledge generated from this course, you have been sent by an organization to participate in negotiation of a major contract. Discuss the major issues that you should consider to have a successful negotiation. **(8marks)**
- c. Negotiators are required to have specific skills as part of the negotiators toolbox. Discuss the necessary skills a good negotiator must possess. **(4marks)**
- d. Explain the factors that may influence the relative negotiating strength of the procurement officer and a supplies manager during negotiation process. **(10marks)**
- e. Describe any four negotiation tactics that may be used. **(8marks)**

SECTION B

Question two

Before you embark on specification, he/she should clearly identify what the need at hand is.

- a. Why is specification of items an important activity in an organization **(10marks)**
- b. Explain the several ways in which needed items can be specified **(8marks)**
- c. Provide any four characteristics of a service **(2marks)**

Question three

'In an attempt to enhance their competitiveness, organizations are increasingly turning to outsourcing. Not only are the changes in the business environment drives behind the rise of outsourcing as a business strategy, but also the new management concepts such as re-engineering, lean concept, organizational restructuring, benchmarking, and alliance management have been among the factors stimulating outsourcing. To outsource involves a process and many activities are commonly outsourced compared to

others and the whole process has challenges. In fact, many outsourced contracts have not achieved the intended benefits.

- a. Define outsourcing and identify any four candidate functions for outsourcing giving justification why they are called candidate functions (6marks)
- b. Discuss the critical success factors for an outsourcing exercise (6marks)
- c. Discuss any five likely reasons that might lead to failure of the outsourced contracts (8 marks)

Question four

It is argued that spend analysis is essential requirement for supply management and business success. Unfortunately, most enterprises lack sufficient, accurate, and timely insight into corporate spending information

- a. Define the term spend analysis / data management as used in procurement (4marks)
- b. Describe the benefits of spend data analysis that may accrue to an organization that may undertake a procurement spend analysis at the earliest stage. (8marks)
- c. Identify the common challenges to effective spend data management and analysis (8marks)

Question five

Faced with the acquisition of capital equipment, a purchase has a number of options in addition to outright purchase. Identify these alternative approaches, and using a specific item of your choice as a basis, compare their advantages and disadvantages with those of outright purchase. (20marks)

Question six

- a. Describe the decisions that a procurement officer has to take when developing a sourcing strategy (4marks)
- b. State the various sources of supplier information (6marks)
- c. Explain the factors that can be considered when selecting suppliers. (10marks)

End of Question Paper