

**UGANDA MARTYRS UNIVERSITY  
FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT  
BACHELOR OF BUSINESS ADMINISTRATION AND MGT  
YEAR I SEMESTER I FINAL EXAMINATIONS 2017/2018**

**PROCUREMENT MANAGEMENT PRINCIPLES**

**INSTRUCTIONS:**

- All questions carry equal marks
  - Attempt any FOUR (4) questions. Section A is Compulsory.
  - Time Allowed; 3 hours
  - Any form of cheating will lead to automatic disqualification
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**Section A**

Answer Both Questions

**Case Study: Probe reveals new ways of Stealing Money from Government**

A survey by the procurement authority reveals the raging plunder of public resources through inflated procurement deals and ranks some Ministries as Worst spenders, including among others Education. The “performance results and corruption perceptions in public procurement” survey carried out by the Public Procurement and Disposal of Public Assets Authority (PPDA) blames corruption in procurement on “political meddling in the procurement processes”, impunity and a decadent culture that adores wealth accumulation. “There is collusion and corruption. Public procurement process is woven in collusions,” said the PPDA executive director. “This is happening among bidders, leading to low bidder response on public procurement and impeding competition,” she added. The recent survey, however, found less corruption in local government contracts than in central government where several ministries, departments and agencies abused procurement procedures with impunity. The PPDA audited 109 government agencies and examined 18,494 contracts worth more than Shs3.7 trillion. In most of these contracts, PPDA discovered failure by the accounting officers to put in place a suitable system to obtain market prices prior to commencement of procurement processes. The report says this leads to dubious cost disparities, unsolicited bids and single- sourcing. In the survey, PPDA ranked evaluation as the most corruption-susceptible stage with 52 per cent, followed by award of contracts with 12.5 per cent, receipt and opening of bids (12.4 per cent), review of evaluation of bids (10.2 per cent), contract monitoring (6.2 per cent), contract performance evaluation (4 per cent), signing contracts (1.1per cent) and advertising (0.7 per cent). According to PPDA executive director, corruption in evaluation of bids “manifests in collusion between providers and the members of the evaluation committee.” Using the knowledge you have acquired in this course, advice on question one (1) and two (2):

**Q.1**

- a) Define the term 'Procurement Corruption'. (3 Marks)
- b) With relevant examples, why do you think corruption is increasingly becoming rampant among procurement processes these days (14 Marks)
- a) Briefly explore the effects of procurement corruption to any given country (8 Marks)

**Total 25 Marks**

**Q.2**

- a) What is 'Contract Monitoring' (2 Marks)
- b) Using examples, why would you think there has been less corruption in Local Government than among Central Government entities (10 Marks)
- c) Highlight the key areas mentioned in case that are highly susceptible to procurement corruption and why? (13 Marks)

**Total 25 Marks**

**Section B**  
Choose any TWO Questions

**Q.3**

- a) Distinguish between 'Procurement and Purchasing' (6 Marks)
- b) With relevant locally generated examples, discuss why procurement is increasingly becoming important in the competitiveness of organizations today. (10 Marks)
- c) Briefly explore the disadvantages procurement as a function. (9 Marks)

**Total 25 Marks**

**Q.4**

- a) What is 'Rights Based Procurement'? (3 Marks)
- b) Examine the various procurement principles considered to be the basis of Rights based procurement (14 Marks)
- c) Briefly discuss the importance of Ethics in procurement. (8 Marks)

**Total 25 Marks**

**Q.5**

- a) Define the term 'Supplier Management' (6 Marks)
- b) With ordinary examples, propose and discuss any supplier evaluation criteria of your choice that managers can use in rating competing bidders (10 Marks)
- c) Briefly describe the components of preliminary supplier evaluation considered by most organizations as a basis of qualifying suppliers. (9 Marks)

**Total 25 Marks**

**Q.6**

Briefly describe the following concepts as used in Procurement Cycles:

- a) Disposal Management (5 Marks)
- b) Statement of Requirements (5 Marks)
- c) Procurement Planning (5 Marks)
- d) Contract Management (5 Marks)
- e) Procurement Environment (5 Marks)

**Total 25 Marks**

-----*Good Luck*-----