



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR
THIRD YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF COMMERCE**

**COURSE CODE: BCM 3148-1
COURSE TITLE: PURCHASING MANAGEMENT**

DATE: 6TH DECEMBER, 2022

TIME: 8.30 AM – 10.30AM

INSTRUCTIONS TO CANDIDATE

*Answer Question **ONE** and any other **TWO***

QUESTION ONE

Toyota Motor (Toyota) is one of the leading automotive manufacturers in the world. It is engaged in the manufacture and sale of motor vehicles, as well as financing and other related businesses. Toyota sells its vehicles in more than 170 countries and regions worldwide. The worldwide automotive market is highly competitive. The competition among various auto players is likely to intensify in light of continuing globalization and consolidation in the worldwide automotive industry. The factors impacting competition include product quality and features, the amount of time required for innovation and development, pricing, reliability, safety, fuel economy, customer service and financing terms. Toyota is subject to disruption of production due to natural disasters such as earthquakes and floods, among others. The company primarily operates in Japan which is one of the highest earthquake-prone regions in the world. Product recalls have also affected Toyota's performance. The company recalled more than 10m vehicles during the period from 2009 to 2011 as a litany of technical problems bedeviled a manufacturer once renowned as a pioneer of production knowhow. Toyota is subject to laws in various jurisdictions regulating the levels of pollutants generated by its plants. In addition, Toyota is subject to regulations relating to the emission levels, fuel economy, noise and safety of its products.

Required:-

a). Explain the purchasing management processes that Toyota may be involved in.

(10 Marks)

b) Highlight internal purchasing risks that are exhibited by Toyota.

(10 marks)

QUESTION TWO

(a). Discuss how purchasing performance measurement may enhance the productivity of an organization.

(10 marks)

(b). Explain how standardization helps organizations reduce costs.

(5 marks)

QUESTION THREE

(a). Describe measures to be taken when designing a warehouse. (8 marks)

(b). Explain the methods that a buying firm can use in evaluating potential suppliers.

(7 marks)

QUESTION FOUR

(a). A growing firm should put in place a sound ethical policy. Discuss the ethical issues that impact on purchasing management.

(10 marks)

(b). Assess the contribution of purchasing function in the development of new products.

(5 marks)

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