



MAASAI MARA UNIVERSITY

REGULAR UNIVERSITY EXAMINATIONS

2023/2024 ACADEMIC YEAR

FOURTH YEAR FIRST SEMESTER

SCHOOL OF BUSINESS AND ECONOMICS

BACHELOR OF COMMERCE

COURSE CODE: BCM 4149-1

COURSE TITLE: INTERNATIONAL PURCHASING

DATE: 15/12/2023

TIME: 0830-1030 HRS

INSTRUCTIONS TO CANDIDATES

- *Answer question ONE (compulsory) and any other Two*
- *Question one carries 20marks*
- *All other questions carry 15 marks*

QUESTION ONE

1 a) Explain **five** global sourcing costs that influence International purchasing that need to be understood and managed by businessmen.

(5marks)

b)Highlights **five** benefits of using counter trade in a given country

(5marks)

c)List **five** regional Economic blocs in Africa. **(5marks)**

d) Explain the following terms as used in international contractual agreements:

- i. Ex-works[EXW] **(1marks)**
- ii. Free Carrier[FCA].....**(1marks)**
- iii. Cost and Freight(CFR)].....**(1marks)**
- iv. Carriage paid To (CPT)].....**(1marks)**
- v. Carriage and Insurance Paid To[CIP]] **(1marks)**
- vi. Free alongside Ship[FAS] **(1marks)**

QUESTION TWO

2a) There are a number of cultural elements that influence international trade. Explain any **five**. **(10marks)**

b).Outline the main**three** payment methods used in international trade.

(5 marks.)

QUESTION THREE

3a)Supplier selection is a crucial decision in the identification of an overseas supplier. Describe **five** factors relevant in making this decision

(10marks)

b) Describe **three** transport documents used in international purchasing

(5marks)

QUESTION FOUR

a) Accurate documentation is essential in international trade. Discuss any **five** documents used, stating clearly the contents and when each is used.

(10marks)

b) When making decision to buy goods from overseas, it is important to understand overview of international trade environment and its trend. Enumerate **five** of this trend.

(5marks)

QUESTION FIVE

a) Briefly highlight the role of freight agents in international purchasing.

(1 mark)

b) Many factors need to be considered when deciding on best method of shipping goods to an overseas market. Assess **four** key issues that will need to be taken into account when choosing the best method for transporting goods

(8 marks)

c) One of the most popular methods for shipping goods overseas is containerization. Explain **three reasons** why this is the case.

(6 marks)

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