



**MAASAI
UNIVERSITY**

MARA

**REGULAR UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR
*THIRD YEAR FIRST SEMESTER***

**SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF BUSINESS MANAGEMENT**

COURSE CODE: BCM 3148

COURSE TITLE: PURCHASING MANAGEMENT

DATE: 9TH APRIL, 2018

TIME: 08.30 AM-10.30AM

INSTRUCTIONS TO CANDIDATES

1. Answer Question **ONE** and any other **THREE** questions

This paper consists of TWO printed pages. Please turn over.

SECTION A (COMPULSORY – CASE STUDY)

During a negotiation meeting the supplier offers a price and payment terms that are on offer 'today only' and the buyer can take or leave this deal. The buyer explains that more discussion is required because the price is above the buyer's budget and the payment terms are shorter than the buying organization's standard terms. The supplier listens selectively and then repeats his ultimatum. The buyer does not want an impasse to end the meeting.

- (a)** Using the scenario above DISCUSS the stages in the negotiation process
(10 marks)
- b) Discuss how effective listening skills could improve the supplier's contribution to the negotiation. (10mks)
- c) Discuss the challenges to effective negotiation. (5mks)

QUESTION TWO

- a) What role does purchasing management play in the procurement process of Maasai Mara University? (7 marks)
- b) Discuss four types of pricing strategies used in purchasing management (8 marks)

QUESTION THREE

- a) Discuss at least three current issues in purchasing and supplies management (9 marks)
- b) What are the challenges facing performance measurement in purchasing and supplies in Kenya? Give relevant examples from the public entities (6 marks)

QUESTION FOUR

- a) Explain the challenges of partnership relationship in an organization. (5mks)
- b) Using an organization of your choice, discuss the importance of holding inventory. (10 marks)

QUESTION FIVE

- a) Outline the benefits that an organization enjoys for purchasing quality products. (5 marks)
- b) Discuss the procurement cycle in purchasing management. (10 marks)