



Riara School of Business

Nurturing business innovators

SEPTEMBER – DECEMBER 2019 TRIMESTER

EXAMINATIONS FOR DIPLOMA IN BUSINESS MANAGEMENT

DAY PROGRAMME

RBP 016: STRATEGIC PROCUREMENT

DATE: 19TH DECEMBER 2019

TIME: 2 HOURS

GENERAL INSTRUCTIONS:

Students are NOT permitted to write on the examination paper during reading time.
This is a closed book examination. Text books/reference books/notes are not permitted.

SPECIAL INSTRUCTIONS:

1. Write your **ADMISSION NUMBER** clearly on the cover of the answer booklet(s).
 2. Answer **Question ONE** and **ANY OTHER TWO** questions.
 3. Questions in all sections should be answered in answer booklet(s).
 4. Marks allocated to each question are shown at the end of the question.
 5. **PLEASE** start the answer to **EACH** question on a **NEW PAGE**.
 6. Indicate the number of the questions answered on the cover of the answer booklet(s) in the order you answered them.
 7. Write your answers in paragraph form unless stated otherwise.
 8. Keep your phone(s) **SWITCHED OFF** at the front of the examination room.
 9. Keep **ALL** bags and caps at the front of the examination room and do not refer to any unauthorized material before or during the course of the examination.
 - 10.** You are only allowed to leave the examination room 30 minutes to the end of the Examination.
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QUESTION ONE (COMPULSORY – 30 MARKS)

- a) Explain the meaning of the following;
- (i) Procurement (2 marks)
 - (ii) Strategic procurement (2 marks)
 - (iii) Strategic Sourcing (2 marks)
 - (iv) Total Cost of ownership (2 marks)
 - (v) Supplier negotiation (2 marks)
- b) Explain any **five** characteristics of Strategic decisions in procurement. (10 marks)
- c) Sustainable procurement represents an opportunity to provide more value to an organization. Evaluate **five** principles for procuring sustainably. (10 marks)

QUESTION TWO

- a) Evaluate the process of implementing the strategic procurement in an organization. (10 marks)
- b) Strategic sourcing is a procurement process that continuously improves and re-evaluates the purchasing activities of an organization. Explain any **five** objectives of strategic sourcing. (10 marks)

QUESTION THREE

- a) Examine **FIVE** main areas to consider when evaluating suppliers (10 marks)
- b) An effective inventory management should ensure a continuous supply of raw materials to facilitate uninterrupted production in the organization. Evaluate **five** costs associated with holding inventory as a procurement strategy. (10 marks)

QUESTION FOUR

- a) Examine **five** strategic procurement best practices in an organization. (10 marks)
- b) Explain **three** importance of measuring procurement performance in a company. (6 marks)
- c) Balanced Scorecard Approach has been an important tool in measuring procurement performance. Evaluate the **four** main components of the approach. (4 marks)