



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2013/2014

**FIRST YEAR FIRST SEMESTER EXAMINATIONS FOR THE
DEGREE OF MASTER OF SCIENCE IN SUPPLY CHAIN
MANAGEMENT
(CITY CAMPUS – EVENING)**

MSM 803: PRINCIPLES OF PURCHASING AND LAW

Date: 31st March, 2014

Time: 5.30 - 8.30 p.m.

INSTRUCTIONS:

- Answer ANY THREE questions.
- All questions carry equal marks.



QUESTION ONE.

“Any public procurement will not only have to be made in fair and transparent manner but will also have to fall in line with the canon of financial propriety”

In light of the foregoing statement:

(a) Discuss in details principles of good procurement (10 Marks)

(b) Describe procurement processes in a manufacturing firm. (10 marks)

QUESTION TWO

(a) Explain the meaning of the term contract and enumerate the essentials of a valid contract. (10 marks)

(b) Explain the remedies for breach of a contract (5 marks)

(c) Point factors which affect an otherwise valid contract. (5 marks)

QUESTION THREE

(a) Explain the objectives of contract management (5 marks)

(b) Outline benefits of good contract management (5marks)

(c) Describe in details the three stages in contract management (10 marks)

QUESTION FOUR

‘In order to achieve a desirable outcome, it may be useful to follow a structured approach to negotiation.’

Required:

(a) Describe the stages the negotiation process.

- (b) Describe different types of negotiation. (10 marks)
(c) Enumerate key points for successful negotiation (5 marks)
(5marks)

QUESTION FIVE

'Competition law is designed to protect businesses and consumers from anti-competitive behaviour.'

REQUIRED:

As a purchasing officer, discuss how your business organisation can achieve compliance with competition law by pointing out some of the potentially ant-competitive agreements.

QUESTION SIX

- (a) Explain the meaning of the concept of Outsourcing (5 Marks)
(b) Discuss the legal aspects of outsourcing (15 marks)