



**MURANG'A UNIVERSITY COLLEGE**

**(A Constituent College of Jomo Kenyatta University of Agriculture and Technology)**

**UNIT CODE: HPS2213**

**UNIT TITLE: PURCHASING POLICY AND STRATEGY.**

**MAIN EXAMINATION**

**DATE: 18<sup>TH</sup> APRIL 2016**

**TIME: 2 HOURS**

**DAY/TIME: 2.00-4.00PM**

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**Answer questions one and any other two questions.**

### **QUESTION ONE**

- a) The role and contribution of purchasing has increased quite steadily over the second half of 20<sup>th</sup> century. Explain any five reasons behind this paradigm. (10 marks)
- b) Policies act as reference point for purchasing function. Explain five advantages of single sourcing. (10marks)
- c) Explain Michael Porters five forces as to s of strategic analysis (10marks)

### **QUESTION TWO**

- a) Discuss five purpose of supplier development program. (10 marks)
- b) Building relationship with suppliers is becoming an explicit part of the procurement strategy for both small and big companies. Explain five types of procurement relationship. (10marks)

### **QUESTION THREE**

- a) Purchasing strategy is a comprehensive planning. Describe the three main component of a planning process. (6 marks)
- b) Explain any seven reasons for sourcing globally. (14 marks)

### **QUESTION FOUR**

- a) Discuss the six core group of purchasing strategies that ought to be implemented in all organizations respective of the size. (12 marks)
- b) Explain any four growth strategies that an organization can use to seek growth in the sales, profit and market share. (8marks)