



**MURANGA UNIVERSITY COLLEGE**

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

**MAINCAMPUS**

**ORDINARY UNIVERSITY EXAMINATIONS**

**2015/2016 ACADEMIC YEAR**

**FIRSTYEARFIRST SEMESTER EXAMINATIONS**

**FOR THE DEGREE OF**

**BACHELOR OF SUPPLIES AND PROCUREMENT MANAGEMENT**

**COURSE CODE: HPS 2104**

**COURSE TITLE: SUPPLIES AND MATERIALS MANAGEMENT 1**

**DATE 10<sup>TH</sup> DECEMBER, 2015**

**TIME:**

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**INSTRUCTIONS TO CANDIDATES**

Question ONE (1) is compulsory  
Answer any other TWO(2) questions

MRUC observes Zero tolerance to examinations irregularities

This paper consists of 2 printed pages. Please turn over



## QUESTION ONE

- a. Explain *five* factors which govern preparation of materials budget (10marks)
- b. Discuss *five* advantages of ABC analysis method of stock control (10marks)
- c. Explain the following terms as used in material costing (10marks)
  - i. Capital costs
  - ii. Ordering costs
  - iii. Stock out costs
  - iv. Carrying costs

## QUESTION TWO

- a) Outline the important features of internal control on stock (10marks)
- b) Discuss the responsibilities of a purchasing manager (10marks)

## QUESTION THREE

- a) Outline the contents of a product specification (10marks)
- b) Explain *five* social responsibilities of management in respect to suppliers. (10marks)

## QUESTION FOUR

- a) Explain *four* principles of purchasing in an organization (4marks)
- b) Explain *three* benefits of product standardization (6marks)
- c) Explain any *five* factors to consider when purchasing capital goods (10marks)