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MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS**

**2016/2017 ACADEMIC YEAR**

**FOURTH YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS**

**BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 446**

**COURSE TITLE: INTERNATIONAL PURCHASING**

**DATE: 25TH APRIL 2017 TIME: 2.00PM-4.00PM**

**INSTRUCTIONS TO CANDIDATES**

* ***Answer question ONE (compulsory) and any other THREE***
* ***Question one carries 25 marks***
* ***All other questions carry 15 marks***

*This paper consists of 2 printed pages. Please turn over*

**QUESTION ONE**

1. Define the term international trade **(2 marks)**
2. Describe **five** benefits of international purchasing to an organization in the modern day Kenya **(10 marks)**
3. State **four** drivers of regional integration **(8 marks)**
4. List **three** sources of information in international purchasing **(3 marks)**
5. Briefly explain the meaning of the term INCOTERMS as used in international purchasing **(2 marks)**

**QUESTION TWO**

1. List **three** regional economic blocs in Africa **(3 marks)**
2. Identify and explain briefly **two** payment methods or instruments in international purchasing **(4 marks)**
3. Explain **five** types of risks involved in international purchasing **(8 marks)**

**QUESTION THREE**

1. Briefly explain the meaning of the term PESTEL as used in international purchasing environment **(3 marks)**
2. One of the strategies in sourcing is outsourcing. Explain **three** reasons why firms outsource **(6 marks)**
3. International trade has facilitated growth of economy in many countries. Justify this statement **(6 marks)**

**QUESTION FOUR**

1. Identify **three** modes of transport stating two advantages for each

**(9 marks)**

1. Identify and explain **three** ways of overcoming challenges encountered in international sourcing strategies **(6 marks)**

**QUESTION FIVE**

1. Write a brief note on the role of freight agents in international purchasing

**(1 mark)**

1. Many factors will need to be considered in coming to a decision on the best method of shipping goods to an overseas market. Assess **four** key issues that will need to be taken into account in deciding on the best method for transporting goods **(8 marks)**
2. One of the most popular methods for shipping goods overseas is containerization. Explain **three reasons** why this is the case **(6 marks)**