

MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS**

**2015/2016 ACADEMIC YEAR**

**FOURTH YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS & ECONOMICS**

**BACHELOR IN BUSINESS MANAGEMENT**

**COURSE CODE: BBM 446**

**COURSE TITLE: INTERNATIONAL PURCHASING.**

**DATE: 11TH MAY, 2016 TIME: 8:30A.M – 10:30A.M**

**INSTRUCTIONS TO CANDIDATES**

Answer question **ONE** and any other **THREE** questions

***This paper consists of 3 printed pages. Please turn over***

**QUESTION ONE**

1. Investigate the constraints that must be considered when examining the theory of comparative advantage in any trade strategy. **(5 marks)**
2. To the international buyer embarking on his or her first experience of buying overseas, it is important to have a brief overview of international trade environment and its trends. Examine at least five of these trends **(10 marks)**
3. Examine five advantages of buying overseas **(10 marks)**

**QUESTION TWO**

A key factor of international buying entrepreneurial skills is contract negotiation. Examine how the following range of considerations are involved in the product specification focusing on contract negotiation.

1. Commercial aspects **(3 marks)**
2. Technical aspects **(3 marks)**
3. Transportation **(3 marks)**
4. Digital Trade **(3 marks)**
5. Negotiating skills **(3 marks)**

**QUESTION THREE**

1. The supplier selection is a crucial decision in the selection of the overseas supplier. Describe the factors relevant in making this decision. **(10 marks)**
2. As a receipt, the bill of lading can be of various types. Identify five types of a Bill of Lading. **(5 marks)**

**QUESTION FOUR**

1. Identify the three principles in the development of ISO standards and the three main phases in the ISO development process. **(9 marks)**
2. Planning is especially important for the complex and diverse process of international purchasing. Summarize the benefits it yields. **(6 marks)**

**QUESTION FIVE**

The rationale of documentation in international trade lies in the nature of the business relations between the exporter and the importer, who are operating from two countries. In this regard justify the rationale of different documents in terms of the following perspectives;

1. Commercial perspective **(5 marks)**
2. Legal perspective **(5 marks)**
3. Incentive perspective **(5 marks)**

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