**MUKURWE-INI TECHNICAL TRAINING INSTITUTE**

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT (MODULE 1)**

**SUPPLYCHAIN MANAGEMENT AND PURCHASING PRINCIPLES**

**April 2018**

**END OF TERM EXAM**

**2 HOURS**

**Instructions**

**Answer all questions in answer sheet provided**

1 a) Given the growth of multinational companies, decentralization of purchasing activity has been widely adopted in such organisations. Highlight five advantage of this structure (10 marks)

b) Explain the benefits that would accrue to an organisation as a result of good relationship between purchasing and finance (10 marks)

2 a) Utuliru company limited has decided to enter into a cost reimbursement contract with a supplier. Highlight the reasons that may have influenced the company to make the decision 10 marks

b ) A certain manufacturing firm intends to price its items. Explain five factors that the organisation should consider when determining the methods of pricing ( 10 marks)

3 a) Highlight five ways through which adequacy of funds could facilitate purchasing of right quantities of items in an organisation ( 10 marks)

b ) Sometimes cheap is expensive as regarded in supply chain management .Explain five situations that could support the statement (10 marks)

4 a) Explain the factors that would make an organisations to prefer using brand name as a method of specification ( 10 marks)

b) Explain five limitations of using Economic Order Quantity ( EOQ) in determining the quantity of materials to buy ( 10 marks)

5 a)Maji mazuri company limited is in the process of determining the quantity of materials to buy for the next planning period. Highlight the factors that would influence the amount of materials to buy. (.10 marks)

b)Prices may vary from one supplier to another and at different times .As a purchasing officer explain six factors that may cause such variations (10 marks)