**MUKURWE-INI TECHNICAL TRAINING INSTITUTE**

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

**PURCHASING MANAGEMENT**

**April 2018**

**END OF TERM EXAM**

**2 HOURS.**

**Instructions**

**Answer all questions in answer sheet provided**

1 A multinational firm is currently experiencing high production costs and low sales as a result of lack of standardization of its products.

1. As a purchasing expert explain the measures that the firm should take in order to achieve standardization of its products(12 marks)
2. Explain four constraints that a purchasing manager may encounter when carrying out the standardization exercise ( 8 marks)

2 The purchasing function needs to relate well with other functions in an organisation in order to be effective in carrying out its activities.

1. Explain five aspects in which the purchasing department should relate with design and engineering department in this regard( 10 marks)
2. Highlight the possible conflicts that may arise between the purchasing departments and finance department when carrying out their activities in an organisation ( 10 marks)

3Given the growth of multinational companies’ decentralization of the purchasing activity has been widely adopted in such organizations;

a. Highlight the advantages of this structure to such organizations (10 marks)

b. Organisation are moving away from quality control to quality assurance .explain five activities involved in the attainment of quality assurance in an organization (10 marks)

4a. Suppliers play a critical role in achieving quality assurance (QA) objective in an organization. Explain the ways in which supplier may achieve the objective (10 marks)

bThe purchasing function may be placed at lower level of management in an organisation. Highlight the activities that the function may undertake when placed at this level (10 marks)

5a. Bingo manufacturing firm has decided to adopt the centralization approach in its purchasing operations .Explain five advantages that the firm may derive from making the decisions (10 marks.)

b Describe the value analysis process (10 marks)