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JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

**UNIVERSITY EXAMINATION 2017/2018**

**EXAMINATION FOR THE DIPLOMA IN PURCHASING SUPPLIES MANAGEMENT**

**HEP 0208: EFFECTIVE NEGOTIATION IN PURCHASING AND SUPPLY**

**DATE: AUGUST 2018 TIME: 1 ½ HOURS**

INSTRUCTIONS: ANSWER QUESTION ONE (COMPULSORY) AND ANY

 OTHER TWO QUESTIONS

**QUESTION ONE: 30 MARKS**

a. Identify and explain the two approaches to negotiation in purchasing and supply. (5 marks)

b. Compare and contrast the approaches to negotiation identified in (a) above. (20 marks)

c. State any five issues involved in the pre-negotiation, during the negotiation process. (5 marks)

**QUESTION TWO: 15 MARKS**

a. Describe the concept of SWOT Analysis and how it can be used to achieve effective negotiation in purchasing by supply chains. (10 marks)

b. State and explain the main characteristics of effective negotiation.

(5 marks)

**QUESTION THREE: 15 MARKS**

a. Discuss the concept of ‘team approach’ in the negotiation process.

(8 marks)

b. Define the term ‘ploy’ is used in negotiation, and enumerate any five types of ploys that may be used by negotiators during negotiation.

 (7 marks)

**QUESTION FOUR: 15 MARKS**

Dr. Nyikal was recently appointed the director of Sameta Holdings, a multi-

million consulting firm in Kenya. The company is currently in the process of sourcing for a partner to form a consortium for a consultancy job it tendered for and won, with the government. In an attempt to agree on the modalities of sharing the proceeds from the contract, the two companies must engage in negotiation, where Dr. Nyikal has been appointed as the principal negotiator for Sameta Holdings. As a specialist in negotiation, advice Dr. Nyikal on the three important factors in negotiation to consider. (15 marks)

**QUESTION FIVE: 15 MARKS**

a. Discuss the concept of ethics in negotiation, explaining whether negotiation can be ethical. (10 marks)

b. Explain five approaches that could be used to unlock a ‘Deadlock’ during the negotiation process in purchasing and supply. (5 marks)