

CHUKA



UNIVERSITY

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EXAMINATION FOR THE AWARD OF DIPLOMA IN PROCUREMENT AND LOGISTICS MANAGEMENT

DPLM 0212: PROCUREMENT POLICY

STREAMS: BPLM

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 06/12/2017

11.30 A.M. – 1.30 P.M.

INSTRUCTIONS: Answer question ONE (Compulsory) and any other two questions

QUESTION ONE

- (a) Explain the importance of strategy in supply chain management. [10 marks]
- (b) Discuss the characteristics of objectives formulated in the procurement department. [10 marks]
- (c) Enumerate the benefits of capacity planning as a strategy to ensure continuous production of goods in an organization. [10 marks]

QUESTION TWO

- (a) Benchmarking as a strategy can contribute to the competitive advantage of an enterprise. Discuss. [10 marks]
- (b) Is a procurement audit necessary in an organization? Discuss [10 marks]

QUESTION THREE

- (a) An organization can adopt different policies to control costs along the supply chain. Discuss five ways of controlling costs. [10 marks]
- (b) Explain five major drivers of supply chain clearly indicating how an organization can leverage on each of them to achieve both efficiency and effectiveness. [10 marks]

QUESTION FOUR

(a) Distinguish between centralized and decentralized structures as used in procurement.

[10 marks]

(b) Using relevant examples, explain five strategies that can be adopted at the business level of an organization.

[10 marks]
