

1. (a) Organizations should consider all perspectives of right quality when purchasing capital items.
Highlight **five** major dimensions of right quality. (10 marks)
- (b) Large organizations usually have a combined centralised and decentralised purchasing system.
Explain **five** advantages to the organization of adopting the system. (10 marks)
2. (a) Highlight **five** benefits that may accrue to a company from undertaking quality assurance activities. (10 marks)
- (b) Highlight **five** ways in which buyers and sellers could use to bridge perceived gaps during a supplier development process. (10 marks)
3. (a) Progressive organizations accord purchasing management function a high level status.
Explain the activities that the function is required to perform. (12 marks)
- (b) Describe the process an organization should follow when controlling the quality of purchased items. (8 marks)
4. (a) Oligopoly is one of the market structures in a business environment.
Highlight the implications of the market structure on the purchasing function. (8 marks)
- (b) Highlight features that are inherent in fixed price and cost price contracts. (12 marks)
5. (a) Purchasing professionals facilitate debriefing discussions with unsuccessful bidders.
Highlight **four** aspects that the bidders should be debriefed on. (8 marks)
- (b) Explain **six** issues that should be analysed during the pre-negotiation stage, for a major project. (12 marks)
6. (a) Explain the following clauses as used in contracts.
 - (i) force majeure clause; (2 marks)
 - (ii) liquidated damages clause; (2 marks)
 - (iii) exclusion clause; (2 marks)
 - (iv) dispute resolution clause. (2 marks)
- (b) The Public Officer Ethics Act, 2003 stipulates that officers should undertake their duties and responsibilities professionally.
Highlight **six** aspects that the officers are required to comply with in respect of the Act. (12 marks)

7. (a) Explain **four** reasons for considering purchasing ethics as key in purchasing management. (8 marks)
- (b) Distinguish between adversarial and partnership negotiation strategies in purchasing management. (12 marks)
