

2903/304
3305
INTERNATIONAL PURCHASING
November 2022
Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL
DIPLOMA IN SUPPLY CHAIN MANAGEMENT
MODULE III

BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE
EXAMINATION

INTERNATIONAL PURCHASING

3 hours

INSTRUCTIONS TO CANDIDATES

*This paper consists of SEVEN questions.
Answer any FIVE questions in the answer booklet provided.
All questions carry equal marks.
Maximum marks for each part of a question are as shown.
Candidates should answer the questions in English.*

This paper consists of 2 printed pages.

Candidates should check the question paper to ascertain that both pages are printed as indicated and that no questions are missing.

- ✓ (a) Explain **six** challenges likely to be encountered in international purchasing. (12 marks)
- (b) Explain **four** advantages of using Cost Insurance and Freight (CIF) terms in international purchasing. (8 marks)
- * (a) Explain **five** purposes served by proper quality specifications in international purchasing. (10 marks)
- (b) Some foreign suppliers insist on payments in advance before delivery of the goods. Describe the steps involved in this type of payment process. (10 marks)
- 3/ (a) Negotiation is often used as a sourcing strategy in international purchasing. Explain **six** circumstances under which negotiation would be appropriate in international purchasing. (12 marks)
- (b) Payments in international purchasing often encounters fluctuations in currency exchange rates. Explain **four** ways in which buyers can deal with situation. (8 marks)
- 4/ (a) Governments are key players in international purchasing. Explain **five** ways in which government policy interventions could adversely affect international purchasing. (10 marks)
- (b) Technology is increasingly emerging as a useful tool in international commercial transactions. Explain **five** ways in which the use of Information Communication Technology could enhance efficiency in international purchasing. (10 marks)
- 5/ (a) Explain **five** ways in which international purchasing differs from domestic purchasing. (10 marks)
- (b) Explain **five** elements which would constitute a valid international purchasing contract. (10 marks)
- 6/ (a) Negotiations involving foreign suppliers require proper preparations. Explain **six** aspects which the buyer should cover when preparing to negotiate with foreign suppliers. (12 marks)
- (b) Explain **four** approaches that could be used in settling disputes arising from international purchasing transactions. (8 marks)
7. (a) Explain **five** services which may be provided by the Ministry of Trade and Commerce to facilitate international purchasing in a country. (10 marks)
- (b) Explain **five** risks a buyer is likely to encounter for using payments in advance method in international purchasing. (10 marks)

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