

2903/301

3307

PURCHASING AND SUPPLY STRATEGY

July 2017

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL
DIPLOMA IN SUPPLY CHAIN MANAGEMENT

MODULE III

BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE
EXAMINATIONS

PURCHASING AND SUPPLY STRATEGY

3 hours

INSTRUCTIONS TO CANDIDATES

*This paper consists of **SEVEN** questions.*

*Answer any **FIVE** questions in the answer booklet provided.*

*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.

- ✓ 1. (a) Explain the purpose of strategic management in an organization. (8 marks)
- (b) Highlight **six** ways of implementing a supplier development policy in supply chain management. (12 marks)
- ✓ 2. (a) Explain the circumstances under which the supplier bargaining power may be higher than the buyer's. (10 marks)
- (b) Explain the benefits that may accrue to a purchasing and supply entity from adopting appropriate organizational structure. (10 marks)
3. (a) Explain the distinctive features between strategy formulation and strategy implementation. (10 marks)
- (b) Explain the ways in which purchasing and supply performance measurement may enhance the productivity of an organization. (10 marks)
4. (a) ABC Company Limited intends to conduct an evaluation exercise to determine whether it is achieving its objectives. Explain the circumstances under which reporting would be appropriate as method for the exercise. (8 marks)
- (b) Explains **six** benefits that may accrue to the organization for adopting a lean production method. (12 marks)
- ✓ 5. (a) Highlight **five** reasons that may lead an organization to adopt the subcontracting strategy. (10 marks)
- (b) Beta Company Limited has decided to adopt the growth strategy at its corporate level. Explain the ways the company may use to achieve the strategy. (10 marks)
- ✓ 6. (a) Highlight **five** strategic issues in purchasing and supply that may be put in place to ensure value of money without sacrificing the environment. (10 marks)
- (b) Explain **five** reasons that may make benchmarking appropriate for measuring purchasing and supply performance. (10 marks)
7. (a) Explain the factors that may favour adoption of matrix structure in supply chain management. (10 marks)
- (b) Outline the reasons that may contribute to the failure of partnership sourcing strategy. (10 marks)

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