

2903/301

3307

**PURCHASING AND SUPPLY  
STRATEGY**

July 2019

Time: 3 hours



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT  
MODULE III**

**BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE EXAMINATIONS  
STAGE III**

**PURCHASING AND SUPPLY STRATEGY**

**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.*

*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) Highlight the role of strategic management in purchasing and supplies management. (10 marks)
- ✓(b) Some organizations use budgets as a method of measuring supply chain performance. Explain the challenges of using this method. (10 marks)
- ✓2. ✓(a) Describe the steps followed in the strategic planning process of an organization. (10 marks)
- ⓑ Highlight **five** transportation decisions that should be made at the strategic level of management in an organization. (10 marks)
- ✓3. ✓(a) Explain **five** ways in which a supply chain officer may implement a supplier development strategy. (10 marks)
- ✓(b) Highlight **five** challenges that a supply chain officer may face when implementing a make policy for an organization. (10 marks)
- ✓4. (a) Outline **five** characteristics of the corporate level strategy in an organization. (10 marks)
- (b) Explain **five** metrics that a supply chain officer may use to measure supply chain performance. (10 marks)
- ✓5. ✓ⓐ The supply chain manager of Lala Limited intends to formulate supply chain objectives for the company. Highlight the attributes that such objectives should have. (10 marks)
- ✓(b) Highlight **five** advantages of adopting a centralised structure for supply chain activities in an organization. (10 marks)
- ✓6. (a) Explain **five** ways in which a supply chain manager may enhance coordination between the supply chain strategy and the corporate strategy in an organization. (10 marks)
- (b) The management of Huduma Limited has appointed a team to prepare the supply policy for the organization. Highlight **five** features that the policy should have. (10 marks)
- ✓7. (a) Explain **five** limitations of adopting the differentiation focus strategy in a purchasing organization. (10 marks)
- # (b) Highlight **five** challenges that may be encountered by organizations when measuring supply chain performance. (10 marks)

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