



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF MANAGEMENT SCIENCES  
DEPARTMENT OF MANAGEMENT**

<b>QUALIFICATION: BACHELOR OF MANAGEMENT</b>	
<b>QUALIFICATION CODE: 07BBMA</b>	<b>LEVEL: 7</b>
<b>COURSE CODE: BPM611S</b>	<b>COURSE NAME: PURCHASING MANAGEMENT</b>
<b>SESSION: JULY 2019</b>	<b>PAPER: 1</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>SECOND OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	Ms O.N Kangandjo Mr M Nelenge
<b>MODERATOR:</b>	Mr M.B Simasiku

**THIS QUESTION PAPER MEMO CONSISTS OF 3 PAGES (Including this front page)**

<b>INSTRUCTIONS</b>	
1.	Answer <b>all questions</b> .
2.	Read all the questions carefully before answering.
3.	Marks for each question are indicated at the end of each question.
4.	Please ensure that your writing is legible, neat and presentable and start each Section on a new page.

**PERMISSIBLE MATERIALS**

1. Examination question paper
2. Examination answer sheet

**SECTION A**

**Question 1 (True or False)**

**[10 Marks]**

Indicate your answers in the answer book provided.

	<b>Which of the following statements are true or false?</b>
1.1	The first step in the five-step strategic sourcing processes is to build a team.
1.2	Supply chain management continue to become increasingly market oriented.
1.3	Inbound logistics is mainly responsible for community satisfaction.
1.4	Decentralised purchasing structures reduce costs.
1.5	The geographical location of suppliers does not matter when developing supply policies and strategies.
1.6	Tactical purchasing planning is executed at top management level.
1.7	Strategic purchasing and supply planning is planning for the long term, thus should take place at middle management level.
1.8	Price competition describes an economic market that is controlled by one supplier.
1.9	According to the JIT philosophy, inventory is evil.
1.10	One of the objections against affirmative purchasing is that it is reverse discrimination.

**SECTION B**

**Question 2**

**[9 Marks]**

- 2.1 Define the following terms
- (a) Supply management (2)
  - (b) Corporate social responsibility (2)
  - (c) ABC analysis (3)
  - (d) Environmental or green purchasing (2)

**Question 3**

**[81 Marks]**

- 3.1 Suppose you are the purchasing manager in your company and you must take the leading role in negotiations with a supplier about a long-term contract. Explain negotiation tactics that you will brief your team members about in preparation for these negotiations. (20)
- 3.2 Zanele would like to convince the management of her company to implement an Electronic Data Interchange system. What could be the benefits of such a system? (10)
- 3.3 You are the owner of a small business, a general dealer, in a rural area where the nearest town is 50 km away and your shop is the only one in a wide geographic area.
- (a) Explain why you think it is necessary to hold inventory for a wide range of items. (8)
  - (b) Describe the various costs you will incur in carrying inventory. (10)
- 3.4 Outline any five circumstances under which purchasing and supply negotiation should take place. (10)
- 3.5 Outline three categories of e-procurement. (3)
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- 3.6 Performance evaluation has been identified as one of the techniques for purchasing and supply control. You are required to outline the steps in the process of evaluating the purchasing and supply function. (10)
- 3.7 Explain five areas of contribution that purchasing and supply chain management can make towards environmental sustainability. (10)

*END OF QUESTION PAPER*