



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY
FACULTY OF MANAGEMENT SCIENCES**

DEPARTMENT OF MARKETING, SPORTS MANAGEMENT AND LOGISTICS

QUALIFICATION: BACHELOR OF PROCUREMENT & SUPPLY CHAIN MANAGEMENT	
QUALIFICATION CODE: 07BPSM	LEVEL: 5
COURSE CODE: CPM521S	COURSE NAME: CONTRACT AND PERFORMANCE MANAGEMENT
SESSION: JANUARY 2024	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100
SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	MS. SELMA KAMBONDE (FT/DI) MR. PIUS SHIFETA (EN) MR. TANGI NEPOLO (PT)
MODERATOR:	MS. PAULINA SHINANA
INSTRUCTIONS	
1. Answer ALL the questions. 2. Write clearly and neatly. 3. Number your answers.	

THIS EXAMINATION QUESTION PAPER CONSISTS OF 6 PAGES (Including this front page)

SECTION A : MULTIPLE CHOICE AND MATCHING

QUESTION 1: MULTIPLE-CHOICE

(20*2= 40 MARKS)

There are 20 Multiple-choice questions with several possible choices each. Choose the best possible answer, for example, 1.1 A. Each question is equivalent to 2 marks. Only write the letter next to the correct answer.

1.1 _____ is a negotiation style that is characterised by the desire to please others at the expense of your interest. (2 marks)

- a) Compromise
- b) Avoidance
- c) Accommodation
- d) Competitive

1.2 In contract negotiation, BATNA stands for: (2 marks)

- a) Best Alternative to a Navigation Agreement
- b) Best Alteration to a Negotiation Agreement
- c) Best Alternative to a Negotiation Arrangement
- d) None of the above

1.3 The key elements of contract negotiation include the following (2 marks)

- a) Preparation and planning
- b) Mutual misunderstanding and trust
- c) Clear communication
- d) All the above answers are correct
- e) Only A and C are correct

1.4 The importance of a relationship in negotiation includes the following (2 marks)

- a) Conflict resolution
- b) Short-term value
- c) Closed communication
- d) Increased risk of misunderstanding

1.5 The process of discussing, deliberating and reaching an agreement on the terms and conditions governing the procurement of goods and services between a buyer and supplier is called _____. (2 marks)

- a) Procurement contract negotiation
- b) Strategic procurement management
- c) Procurement contract management
- d) Procurement performance management

1.6 Which one of the following is NOT the critical element of a bidding contract? (2 marks)

- a) Offer and acceptance

- b) Capacity to contract
- c) Census
- d) All the answers are correct

1.7 A commercial agreement, an Important clause for business contracts that protects the parties from liabilities caused by a breach of contract or negligent acts of the third parties, is called_____. (2 marks)

- a) Liquidated damages
- b) Termination clause
- c) Indemnity clause
- d) Dispute resolution

1.8 A confidentiality clause, also known as_____, is vital to protecting your client's confidential information, sales strategies, and anything else that you want to keep from the public. (2 marks)

- a) Disclosure clause
- b) Non-disclosure clause
- c) Force majeure
- d) Warranties clause

1.9 A contractor does not deliver goods/services on the agreed date is an example of: (2 marks)

- a) Late delivery
- b) Lead-time
- c) Material breach
- d) Minor breach

1.10 The clause that notifies the other party that copyrights, patents, trademarks, and trade secrets are protected to prevent unauthorised use or exploitation under _____. (2 marks)

- a) Warranties clause
- b) Guarantee clause
- c) Disclaimer clause
- d) Intellectual property

1.11 The third stage of contract management is referred to as _____. (2 Marks)

- a) Pre-contract stage
- b) Pre-renewal stage
- c) Contract stage
- d) Implementation stage

1.12 The construction projects where payment is based on the number of square meters of concrete poured is an example of_____ (2 marks)

- a) Unit price contracts

- b) Fixed-price contracts
- c) Cost-reimbursable contracts
- d) Time and materials

1.13 Procurement and _____ are interconnected stages in the procurement lifecycle, with procurement focusing on supplier selection and contract award and contract management responsible for effective administration and oversight of the contract it's in place. (2 marks)

- a) Logistics and management
- b) Supply chain management
- c) Contract management
- d) Strategic procurement

1.14 Which one of the following is NOT part of contract risk? (2 marks)

- a) Compliance risk
- b) Security risk
- c) Quality risk
- d) All the above answers are correct

1.15 During a project audit, you discover that the contractor has been inflating material costs, leading to a 15% budget overrun. What financial monitoring action should you take to prevent further impact? (2 marks)

- a) Halt the project until the contractor repays the excess
- b) Implement stricter cost-tracking mechanisms and renegotiate future costs
- c) Ignore the overrun if the project is nearly complete
- d) Terminate the contract and seek a new contractor

1.16 A common challenge in contract management is: (2 marks)

- a) Early project completion
- b) Inability to enforce payment terms
- c) Misalignment of contract terms with project scope changes
- d) Reducing the scope of contract audits

1.17 Which of the following is a standard method of dispute resolution in contracts? (2 marks)

- a) Litigation
- b) Mediation
- c) Termination without notification
- d) Non-binding arbitration

1.18 What is the common financial impact of breaching a procurement contract? (2 marks)

- a) Reduced project costs
- b) Liquidated damages imposed on the breaching party

- c) The complete cancellation of the project
- d) Increase in contract scope

1.19 Which of the following is a key element of contract negotiation? (2 marks)

- a) Prioritizing a win-lose outcome
- b) Building trust and cooperation between parties
- c) Ignoring financial terms to focus on deadlines
- d) Avoiding discussions of future risks

1.20 The performance measures of a contract are categorised into four key performance domains, which include: (2 marks)

- a) Costs, punctuality, service quality, and reliability
- b) Costs, punctuality, service quantity, and reliability
- c) Costs, punctuality, service quality, and serviceability
- d) Costs, punctuality, service quantity, and serviceability

QUESTION 2: MATCHING

(10 MARKS)

Match the following concepts. Only write the letter next to the correct answer. e.g. 2.1 A.
Each question is equivalent to 2 marks.

Types of contract negotiation	Descriptions
2.1 Competitive negotiation	A. Focuses on dividing a fixed number of resources, often resulting in a win-lose scenario. The main goal is to maximise benefits through hard bargaining and limited information sharing.
2.2 Avoidance negotiation	B. One party gives in to the wishes or demands of the other. It is used when the relationship is more important than the specific outcome or when one party is in a weaker position.
2.3 Accommodating negotiation	C. One or both parties choose not to engage in the negotiation process. Used when the issue is trivial or not worth the effort or when more information is needed before meaningful discussions.
2.4 Compromising negotiation	D. Emphasizes cooperation to achieve mutually beneficial outcomes. Aims for a win-win situation through open communication, trust-building, and joint problem-solving.
2.5 Collaborative negotiation	E. Involves both parties giving up something to reach a mutually acceptable solution. Used when time is limited and a quick resolution is needed.

SECTION A: 50 TOTAL MARKS

SECTION B**(50 MARKS)****QUESTION 3 (20 MARKS)**

New Dimensions Trading, a company based in Oshakati, is planning a significant renovation of its ageing buildings and intends to award the renovation contract to PJT Holdings. A new Contract Manager has recently been appointed to oversee and manage the contractual process. However, the board of New Dimensions Trading is still determining the critical legal requirements that must be satisfied to form a valid and enforceable contract with PJT Holdings. To ensure the successful formation of the contract and avoid any legal issues, the company seeks advice on the essential elements and steps needed to establish a solid contractual agreement.

3.1 Briefly discuss the key elements of a valid contract and advise the board on ensuring all the legal essential requirements are met? **(25 Marks)**

3.2 Identify and explain five key contract risks New Dimensions Trading may face during the project, discuss their impacts on execution, and suggest management strategies to mitigate each risk (Use examples to support your analysis)? **(25 Marks)**

SECTION C: 50 TOTAL MARKS**TOTAL: 100 MARKS**