



**PAMIBIA UNIVERSITY**  
**OF SCIENCE AND TECHNOLOGY**  
**FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION**  
**DEPARTMENT OF MARKETING, LOGISTICS AND SPORT MANAGEMENT**

<b>QUALIFICATION: POSTGRADUATE DIPLOMA: PROCUREMENT MANAGEMENT</b>	
<b>QUALIFICATION CODE: 08PDPM</b>	<b>LEVEL: 8</b>
<b>COURSE CODE: ACM801S</b>	<b>COURSE NAME: ADVANCE CONTRACT MANAGEMENT</b>
<b>SESSION: JULY 2024</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>
<b>SECOND OPPORTUNITY QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	Mr. Linus Hamukoto
<b>MODERATOR:</b>	Ms. Martha Shingenge
<b>INSTRUCTIONS</b>	
<ol style="list-style-type: none"><li>1. Answer ALL the questions.</li><li>2. Write clearly and neatly.</li><li>3. Number your answers clearly.</li><li>4. This paper consists of three sections: Section A (Question 1 which consists of Multiple choice and is allocated 20 Marks), Section B which consists of (Questions 2, 3 and 4 allocated 60 Marks) and Section C which consists of (Questions 5 allocated 20 Marks)</li></ol>	

**THIS MEMORANDUM CONSISTS OF 6 PAGES (Including this front page)**

**SECTION A: MULTIPLE CHOICE QUESTIONS (20 MARKS)**

**QUESTION 1**

There are twenty (20) Multiple-choice questions with several possible choices each. Choose the best possible answer, for example, 1.1 A. Each question is equivalent to 1 mark. There is only ONE correct answer for each question. Negative marking will not be applied, but answers to questions will not be marked where more than one answer has been given. Only write the chosen letter next to the corresponding question number.

- 1.1 Which of the following is not a requirement for a valid contract?  
A. Offer and acceptance  
B. Consideration  
C. Written agreement  
D. Legal capacity of the parties  
E. All of the above  
**(1 Mark)**
- 1.2 What is the primary purpose of contracting in procurement?  
A. To negotiate pricing with suppliers.  
B. To establish legal relationships between parties.  
C. To monitor performance of service providers.  
D. To manage inventory levels effectively.  
E. None of the above  
**(1 Mark)**
- 1.3 In contract law, what distinguishes an offer from an invitation to treat?  
A. An offer is a statement of willingness to negotiate, while an invitation to treat is a firm proposal.  
B. An offer indicates a willingness to enter into a contract under specific terms, while an invitation to treat is an invitation to make an offer.  
C. An offer is legally binding, while an invitation to treat is not.  
D. An offer is made by the offeree, while an invitation to treat is made by the offeror.  
E. None of the above  
**(1 Mark)**
- 1.4 Which of the following scenarios would **NOT** satisfy the requirement of consideration in a contract?  
A. A promises to pay B N\$500 in exchange for B's promise to paint A's house next week.  
B. A agrees to sell a car to B for N\$5,000, and B agrees to pay the purchase price.  
C. A promises to give B a gift out of gratitude for B's help in a difficult situation.  
D. A and B mutually agree to terminate a contract without exchanging anything of value.  
E. None of the above  
**(1 Mark)**
- 1.5 Which of the following factors is **NOT** typically considered in determining whether a breach of contract has occurred?  
A. Whether the breaching party had a reasonable excuse for non-performance.  
B. Whether the breach resulted in financial loss or damages to the non-breaching party.  
C. Whether the contract includes a force majeure clause relieving the parties from performance under certain circumstances.  
D. Whether the contract was properly executed and legally enforceable.

- E. All of the above (1 Mark)
- 1.6 Which of the following accurately describes the remedy of specific performance in contract law?  
A. The non-breaching party is awarded monetary compensation for losses resulting from the breach.  
B. The breaching party is required to perform its contractual obligations as agreed upon in the contract.  
C. The contract is terminated, and both parties are released from their obligations under the contract.  
D. The non-breaching party is entitled to recover any benefits conferred on the breaching party as a result of the breach.  
E. None of the above (1 Mark)
- 1.7 Which of the following situations does NOT typically result in termination of a contract?  
A. Expiration of the contract term.  
B. Breach of contract by one of the parties.  
C. Assignment of the contract to a third party.  
D. Mutual agreement of the parties to terminate the contract.  
E. None of the above (1 Mark)
- 1.8 What is the primary objective of Contract Management in procurement?  
A. Negotiating the lowest possible prices with suppliers.  
B. Ensuring compliance with internal procurement policies.  
C. Managing agreements systematically from signing to termination.  
D. Conducting market analysis to identify potential suppliers.  
E. None of the above (1 Mark)
- 1.9 In the context of Contract Management stages in procurement, which phase is chiefly NOT concerned with executing the awarded contract and transitioning into operational implementation?  
A. Pre-award phase  
B. pre-approval phase  
C. Management and/or development phase  
D. End of the contract lifecycle phase  
E. All of the above (1 Mark)
- 1.10 Within the pre-award stages of procurement, which activity poses a significant challenge as it involves strategically distributing personnel, technology, and budgetary provisions to support contract management activities?  
A. Supplier Identification  
B. Contract Structuring  
C. Risk Assessment and Mitigation  
D. Resource Allocation  
E. All of the above (1 Mark)



- 1.11 For a public sector organization maintaining a large and diverse property estate, which procurement approach offers the most strategic and efficient method for ensuring ongoing maintenance and service provision?
- A. Framework agreements
  - B. Once-off purchases
  - C. Spot transactions
  - D. Purchase orders
  - E. None of the above
- (1 Mark)**
- 1.12 Which benefit of the contract management process can be achieved through the systematic tracking, evaluation, and assessment of contract performance against established criteria and key performance indicators?
- A. Enhanced contract compliance
  - B. Performance monitoring
  - C. Risk management
  - D. A only
  - E. None of the above
- (1 Mark)**
- 1.13 In the nuanced landscape of contract formation, which pivotal element embodies the unequivocal and unqualified agreement by the offeree to the terms delineated in the offer, thus culminating in the establishment of a binding contractual obligation?
- A. Offer
  - B. Acceptance
  - C. Consideration
  - D. Legality and capacity
  - E. None of the above
- (1 Mark)**
- 1.14 Which of the following statements accurately reflects the principle of legality and capacity in contract law?
- A. Contracts with illegal objects are valid if both parties consent to the terms.
  - B. Business transactions that contravene public policy are deemed valid and enforceable.
  - C. Contracts with illegal objects are void ab initio and unenforceable under the law.
  - D. Legal capacity is irrelevant in determining the enforceability of a contract.
  - E. Both A and C
- (1 Mark)**
- 1.15 Which ONE of the following conditions is typical of a collaborative negotiation?
- A. All parties must have exactly the same goals
  - B. Both parties understand each other's goals
  - C. One party is prepared to accommodate the other
  - D. The supplier must allow the buyer to achieve their goals
  - E. None of the above
- (1 Mark)**
- 1.16 A procurement manager has been negotiating with a supplier for half an hour and is frustrated with the lack of progress. They are seeking a price reduction. After a short break the procurement manager says to the supplier 'how about if we agree to increase the guaranteed

volume for the first twelve months - by how much will you reduce the price?' This is an example of which ONE of the following?

- A. Threat
- B. Emotion
- C. Logic
- D. Feeling
- E. None of the above

**(1 Mark)**

1.17 Which of the following rights allows a seller to offer a service or product to potential buyers, ensuring the execution of their contractual duty?

- A. The right to buy a specific service or product.
- B. The right to sell a service or product.
- C. The right to transfer ownership rights.
- D. The right to be the exclusive purchaser or seller.
- E. Both B & D

**(1 Mark)**

1.18 Which right grants Party A the exclusive privilege of being the sole purchaser or seller of a particular service or product within the contractual agreement?

- A. The right to be the exclusive purchaser or seller.
- B. The right to file a lawsuit over a contract breach or dispute.
- C. The right to timely and full monetary payment.
- D. The right to repairs, refunds, or exchanges.
- E. None of the above

**(1 Mark)**

1.19 When Party A possesses the sole right to use a brand, product, or material, which right does Party A have in the contract?

- A. The right to exclusive ownership or use of a brand, product, or material.
- B. The right to timely and full monetary payment.
- C. The right to repairs, refunds, or exchanges.
- D. Other rights related to the particular intentions of each party.
- E. Both B & C

**(1 Mark)**

1.20 A definition of a commercial negotiation is that it is aimed at achieving which ONE of the following?

- A. Savings
- B. Agreement
- C. Concessions
- D. Compromise
- E. None of the above

**(1 Mark)**

**Subtotal: 20 Marks**

**SECTION A: 20 TOTAL MARKS**

## **SECTION B: STRUCTURED QUESTIONS (60 MARKS)**

### **QUESTION 2**

2.1 Discuss and provide an analysis of the 10 different key skills needed during the contract management process? (20 Marks)

### **QUESTION 3**

ABC Corporation, a leading retail chain, is seeking to improve its customer satisfaction levels and increase sales revenue. As part of its strategic initiative, the company has decided to define Key Performance Indicators (KPIs) to measure its progress towards these goals.

Based on the objectives outlined by ABC Corporation, outline the five steps involved in defining Key Performance Indicators (KPIs) for improving customer satisfaction levels and increasing sales revenue. For each step, provide specific examples relevant to ABC Corporation's retail operations, demonstrating how the company can effectively implement the KPI definition process to achieve its objectives? (20 marks)

### **QUESTION 4**

ABC Construction Company has been awarded the contract to construct the new hospital in the rural area of Namibia. The project management team faces the challenge of balancing cost, schedule, and scope constraints to deliver the hospital project successfully.

Initially, the project is planned with a fixed budget of N\$100 million and a timeline of 24 months, aiming to minimize costs, adhere to the timeline, and meet the healthcare needs of the local community. However, as construction progresses, unforeseen challenges arise, including delays due to inclement weather, supply chain disruptions, and changes in regulatory requirements.

As a result, the project management team faces the dilemma of managing the interdependencies between cost, schedule, and scope to address these challenges effectively. An increase in one aspect, such as extending the project schedule to accommodate weather-related delays, may impact the project's overall cost and scope.

Analyze the impact of cost, schedule, and scope constraints on the construction of the new hospital in Namibia. How can the project management team effectively balance these constraints to ensure project success? (20 Marks)

## **SECTION C: STRUCTURED QUESTIONS (20 MARKS)**

### **QUESTION 5**

The Ministry of Agriculture, Water and Forestry has appointed KK Construction CC to construct a food storage silo in the Okahandja Park settlement to be used for storage of food and ensure easy distribution to the needy groups. Disputes have arisen between the 2 parties, and the Ministry has resolved to terminating the contract. Discuss with examples the process flow to be undertaken by the Ministry in terminating the contract? (20 marks)

**SECTION C: 20 TOTAL MARKS**

**TOTAL MARKS:100**

**ALL THE BEST**