



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION

DEPARTMENT OF MARKETING AND LOGISTICS

QUALIFICATION: BACHELOR OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT	
QUALIFICATION CODE: 07BLSC	LEVEL: 7
COURSE CODE: PMM711S	COURSE NAME: PROCUREMENT MANAGEMENT
SESSION: JULY 2022	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Ms. Emilia Salomo (FT & DI) Mr. Tangi Nepolo (PT)
MODERATOR:	Ms Susanna Dolly Nghipandwa

INSTRUCTIONS
<ol style="list-style-type: none">1. This paper consists of 2 Sections, A and B2. Answer ALL 4 questions in all sections3. Read each question carefully4. Write as legible and precise as possible5. Indicate your class lecturer's name on your answer sheet

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

SECTION A

[30 MARKS]

QUESTION 1: TRUE & FALSE

[20 MARKS]

1. **State whether each statement below is true or false. PLEASE SPELL YOUR ANSWERS OUT AND DO NOT WRITE "T" OR "F". Each question is worth TWO marks.**
 - 1.1. Collaborative relationships are typically used for the procurement of commodity items
 - 1.2. The larger the company's supplier base, the less the risks
 - 1.3. A transactional relationship is an appropriate first step to a strategic alliance.
 - 1.4. The fundamental difference between collaborative relationships and supplier alliances is the presence of cost measurement and information technology in alliances
 - 1.5. Firms are becoming more aware of the strategic dimension of the make or buy decision
 - 1.6. The smaller the organisation, the less likely the purchasing operations will be strategic
 - 1.7. Managing supplier relationships is a strategic responsibility
 - 1.8. A Company should spend more effort and resource on high spending categorised procurement
 - 1.9. When evaluating a supplier, a good supplier scoring and assessment process will primarily track performance along the price dimension.
 - 1.10. A reliable supplier has low variability of lead time, whereas an unreliable supplier has high variability

QUESTION 2:

[10 MARKS]

2. **Indicate whether the below scenarios are practising purchasing or procurement? Each question is worth TWO marks.**
 - 2.1. A company chooses a supplier based on the reasoning that they come a long way together.
 - 2.2. A procurement department defines its success by its ability to buy the right goods at the right time and price.
 - 2.3. The company that focuses its procurement on strategic benefits and/or reasoning.
 - 2.4. Buying that is highly focused on the lowest cost per unit.
 - 2.5. A company uses its supplier performance reviews to build suppliers and maintain stronger relationships.

SECTION A SUBTOTAL: 30 MARKS

SECTION B: STRUCTURED QUESTIONS**[70 MARKS]****QUESTION 2****[20 MARKS]**

A NAMIBIAN company has partnered with an Angolan company that runs a textile plant

Ohangwena Cotton Production is a Namibian company based in the northern regions and has been in operation since 2017. The company will be boosted by an investment worth N\$238 million from Alassola SA, a textile plant in Angola. The two companies signed the cooperation contract yesterday in Windhoek. Ohangwena Cotton Production will be supplying Alassola SA with 9 000 tonnes per annum. The Namibian company called on the government to provide them with the land for cotton farming. Ohangwena Cotton Production founding director Dasius Nelumbu said the contract would enable them to earn a minimum of N\$1,2 billion in revenue per annum. However, until they have sufficient farmland, they would not be able to sign more contracts with other entities. Although they are starting small, Nelumbu believes the new projects will provide about 1 650 people with permanent jobs. "The agreement signifies what we may term the birth of a new industry in Namibia, as the idea from field to fashion is a concept which contributes towards value-addition," he added. According to Nelumbu, Alassola SA will offer N\$238 million to Ohangwena Cotton Production, and in return, they will supply clean cotton. He said that Alassola SA would also provide technical support in cotton farming and ginning. "Their processing factory, which makes fabric, is open to us for visitation in our quest to increase our knowledge in the cotton value chain," Nelumbu said. The chief executive officer of Alassola SA, Tambwe Mukaz, said that as a textile company, they process cotton that they transform into finished products. "We find this project exciting by its size and the fact that it will be produced in the Ohangwena region, which is very close to Angola," Mukaz noted. He added that they would be facilitating transportation, as cotton is a primary product needed in their industry. "We chose Ohangwena Cotton Production because we want cotton of high quality, and our industry uses high technology," Mukaz said.

Source: The Namibian (2019)

Read the Namibian newspaper article above and criticise the procurement strategy used?

QUESTION 3**[25 MARKS]**

The Public Procurement Policy Unit is in talks to develop an e-procurement system. Discuss any ten reasons why outsourcing might be a solution?

QUESTION 4**[25 MARKS]**

Categorise Namibia Brewery Limited's (NBL) strategic sourcing matrix based on risk, complexity and amount spent, and create a sourcing strategy for NBL, giving a practical example of sourced material/products for each portfolio?

SECTION B SUBTOTAL: 70 MARKS**GRAND TOTAL: 100 MARKS**

