



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF MARKETING, LOGISTICS AND SPORTS MANAGEMENT

QUALIFICATION: BACHELOR OF PROCUREMENT & SUPPLY CHAIN MANAGEMENT	
QUALIFICATION CODE: 07BPSM	LEVEL: 5
COURSE CODE: CPM521S	COURSE NAME: CONTRACT AND PERFORMANCE MANAGEMENT
SESSION: NOVEMBER 2025	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100
FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	MS. SELMA KAMBONDE (FT) MS. HELVI KAULINGE (FT) MS. SARA NAMBINGA (FT) MS. JUDITH TJITUKA (FT) MR. NORWIN OOSTHUIZEN (PT/DI) MR. THOMAS MWAHENUKANGE (EF/ED)
MODERATOR:	DR. HELVI PETRUS
INSTRUCTIONS	
<ol style="list-style-type: none">1. Answer ALL the questions.2. Write clearly and neatly.3. Number the answers.4. Pay attention to the mark allocation when formulating your answers.	

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

SECTION A: MULTIPLE-CHOICE

QUESTION 1: (15*2=30 MARKS)

This section consists of 10 multiple-choice questions, each worth 2 marks. Write only the letter of your chosen answer, e.g., 1.1 A.

1.1 A municipality needs to procure 20 garbage trucks. They prepare specifications, invite bids and evaluate suppliers to determine the most economically advantageous bidder. Which stage of the procurement process are they currently in? (2 marks)

- A) Make or Buy Decision
- B) Contract Award Stage
- C) Recognition of Need
- D) Supplier Relationship Management
- E) A and D

1.2 ABC Ltd. needs a one-time supply of office furniture with a determined price of N\$1 million and no scope change expected. Which contract type is most suitable? (2 marks)

- A) Cost-Plus Contract
- B) Lump Sum
- C) Time & Materials Contract
- D) Unit Price Contract
- E) A and B

1.3 A supplier offers to deliver 500 school desks for N\$100,000. The buyer agrees to this purchase without changes. Which element of contract formation is demonstrated? (2 marks)

- A) Consideration
- B) Offer and Acceptance
- C) Capacity
- D) Legal Purpose
- E) None of the above

1.4 A supplier cannot deliver goods to their buyer based in Rundu, due to heavy storms and flooding in that specific area. Which clause protects them from liability? (2 marks)

- A) Termination Clause
- B) Confidentiality Clause
- C) Force Majeure Clause
- D) Indemnity Clause
- E) None of the above

1.5 Two parties disagree on payment timing. The contract provides for arbitration before court action. Which clause applies? (2 marks)

- A) Termination
- B) Dispute Resolution
- C) Confidentiality
- D) Amendment
- E) A and B

1.6 NamSteel (Pty) Ltd and MetalWorks cc argue about delivery times and prices but finally agree on mutually acceptable terms. This process is an example of: (2 marks)

- A) Competitive Bidding
- B) Contract Negotiation
- C) Contract Monitoring
- D) Litigation
- E) All the above are correct except D

1.7 NamPower negotiates for a solar project to secure the lowest tariff but also ensures supplier profit margin. Which negotiation style is most appropriate? (2 marks)

- A) Competitive
- B) Collaborative
- C) Avoidance
- D) Accommodation
- E) A, B and D

1.8 A negotiator prepares by researching supplier data, setting clear objectives, and planning concessions. Which negotiation phase is this? (2 marks)

- A) Post-Negotiation
- B) Preparation & Planning
- C) Negotiation Phase
- D) Closure
- E) All of the above are correct

1.9 NUST is negotiating with Supplier A for 100 laptops at N\$12,000 each with a 6-week delivery. Supplier B instead offers N\$11,000 each with a 4-week delivery. Supplier A refuses to adjust its price or delivery terms, and NUST awards the contract to Supplier B. What is this term called? (2 marks)

- A) BATNA
- B) BETNA

- C) CATNA
- D) BBTNA
- E) None of the above

1.10 A buyer deducts landscaping costs because the contractor left out minor works, but still used the school building. This is an example of: (2 marks)

- A) Material Breach
- B) Anticipatory Breach
- C) Substantial Performance
- D) Complete Performance

1.11 NUST imports specialised laboratory equipment from Germany for use by its students. To avoid disputes over who is responsible for transport, insurance, customs clearance, and risk during shipment, the parties agree to use an Incoterm. What is the significance of the Incoterm? (2 Marks)

- A) It defines the payment schedule for the buyer
- B) It specifies the types of products that can be procured
- C) It clarifies the responsibilities of the buyer and seller in terms of transportation and risk
- D) It establishes the terms of intellectual property transfer

1.12 The Ministry of Gender and Child Welfare launches a pilot project to develop innovative community shelters for vulnerable children. Since the design, construction methods, and costs are uncertain at the start, the procurement team considers using a Cost-Reimbursable Contract. When is a Cost-Reimbursable Contract most suitable in procurement? (2 Marks)

- A) For well-defined projects
- B) For high-risk and uncertain projects
- C) For repetitive tasks with variable quantities
- D) For projects with fixed budgets

1.13 Selma and Norwin, long-time friends, enjoyed a night out. After Norwin treated Selma to tequila, they impulsively decided to open a restaurant, jotting down a contract on a napkin. The next day, Selma realised she couldn't proceed. Norwin sued Selma. Why might the court rule in Selma's favour? (2 Marks)

- A) Selma's likely high level of intoxication could invalidate the contract
- B) Norwin's purchase of drinks might relieve Selma of responsibility
- C) They didn't discuss Selma's financial capacity
- D) They drafted the contract before planning finances

1.14 The Ministry of Works signs a contract with a supplier from Jiangxi, China, to deliver road construction machinery through ports in Japan. Before finalising, the team examines possible delays, currency issues, and supplier default. What is the process of examining such potential issues in a procurement contract called? (2 Marks)

- A) Risk Mitigation
- B) Risk Transfer
- C) Risk Analysis
- D) Risk Management
- E) Risk Avoidance

1.15 The Namibia Institute of Pathology (NIP) is procuring new vehicles for its laboratory sample collection. Instead of only considering the purchase price, the procurement team also evaluates fuel consumption, servicing, insurance, spare parts, and eventual disposal costs. What is the terminology used whereby all associated procurement costs are considered? (2 Marks)

- A) Total cost of ownership
- B) Total cost of buying
- C) Total cost of procurement
- D) Total cost of purchasing
- E) None of the above

SECTION A: 30 TOTAL MARK

SECTION B: STRUCTURED QUESTIONS

QUESTION 2 (30 MARKS)

The Ministry of Health in Namibia signed a procurement contract with Kaizen Medical Supplies to deliver 10,000 surgical gloves by 30 September 2025, valued at N\$1.2 million. However, the contract was signed by a junior officer who did not have the authority to commit the ministry legally. Later, Kaizen Medical Supplies fails to deliver the gloves on time, and the ministry seeks legal recourse. Using the essential elements of a valid and enforceable contract, critically evaluate whether the Ministry of Health in Namibia has a legally enforceable contract in this case.

2.1 Using the essential elements of an enforceable contract, explain what constitutes a legally binding procurement agreement (Make use of relevant examples? **(24 Marks)**

2.2 Identify the element(s) of the contract that may have been compromised in this case and analyse the possible legal implications for both the Ministry of Health and Kaizen Medical Supplies. **(6 Marks)**

SECTION B: 30 TOTAL MARK

SECTION C: STRUCTURED QUESTIONS

QUESTION 3 (40 MARKS)

MTC Namibia contracted with a supplier to deliver critical 5G network infrastructure. However, the supplier has repeatedly failed to supply key components within the agreed timelines, leading to project delays and exposing MTC to possible penalties from the Communications Regulatory Authority of Namibia (CRAN). To prevent further setbacks, MTC's procurement unit must strengthen its approach to contract performance management.

3.1 Propose a structured performance monitoring and escalation plan that MTC Namibia could implement to manage the supplier effectively (*Your answer must mention and explain any relevant five key measures*). **(20 Marks)**

3.2 Analyse five types of risks that may arise if supplier performance is not adequately monitored? **(20 Marks)**

SECTION C: 40 TOTAL MARK

TOTAL MARKS:100 MARKS