



**PAMIBIA UNIVERSITY**  
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION  
DEPARTMENT OF MARKETING AND LOGISTICS

<b>QUALIFICATION: POST GRADUATE DIPLOMA: PROCUREMENT MANAGEMENT</b>	
<b>QUALIFICATION CODE: 08PDPM</b>	<b>LEVEL: 8</b>
<b>COURSE CODE: SPM802S</b>	<b>COURSE NAME: STRATEGIC PROCUREMENT MANAGEMENT</b>
<b>SESSION: JANUARY 2023</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>
<b>SECOND OPPORTUNITY EXAMINATION</b>	
<b>EXAMINER(S)</b>	MS. MARTHA SHINGENGE
<b>MODERATOR:</b>	MS. PAULINA SHINANA
<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 the answers clearly and correctly.</li></ol>	

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

**SECTION A: MULTIPLE CHOICE**

**(40 MARKS)**

**QUESTION 1 (40 MARKS)**

There are Twenty (20) Multiple-choice questions with several possible choices each. Choose the best possible answer, e.g., 1.1 A. Each question is equivalent to 2 marks. Write the letter next to the correct answer.

**1.1 Of the purchasing/supply responsibilities and activities, \_\_\_\_\_ becomes more important as the function becomes responsible for supply and value network chains?**

**(2 Marks)**

- a) Buying supply management
- b) Executive management
- c) Strategic planning and research work
- d) Contract and relationship management

**1.2 Supplier management is...**

**(2 Marks)**

- a) Request a report of progress from the project team
- b) Review of supplier performance, capabilities, strengths, and weakness throughout the contract
- c) Evaluate the risk register at project gate reviews
- d) Check with senior management to ensure buy in

**1.3 Sustainable Public Procurement in Namibia places a burden on MSMEs, who may not have the resources to ensure compliance**

**(2 Marks)**

- a) True, this creates a disadvantage for them and keeps them from bidding for bigger tenders
- b) False, it promotes business practices that consider societal welfare of the people and the environment, in light of diminishing resources,
- c) An effective public procurement system can help government decide for their offices, ministries, and agencies where, when and how money must be spent.
- d) I don't think it has any impact

**1.4 The challenge to public procurement is that....**

**(2 Marks)**

- a) Payments are delayed
- b) There is a less than optimal complaint mechanism in place
- c) Lack of E-procurement
- d) All of the above

**1.5 The \_\_\_\_\_ allows for the development of an efficient supplier management process. Therefore, the supplier portfolio can be purposefully formed and developed to serve company-wide demands. (2 marks)**

- a) Centralized material group management
- b) Strategic procurement
- c) Decentralized material group management
- d) Strategic purchasing

**1.6 Which of these are ethical issues in procurement? (2 Marks)**

- a) Clear grievance processes for aggrieved bidders
- b) Accepting supplier gifts
- c) Transparent processes
- d) Understanding the supplier landscape

**1.7 Good public procurement requires: (2 Marks)**

- a) A regulatory framework that contains policies and procedures to guide the work of contracting authorities and helps ensure economy, efficiency, transparency, accountability, and access to justice in public procurement.
- b) All organizational documents to refer to public procurement and sound finance management, but it is okay if the organizations cannot implement effective procedures
- c) Sound and efficient public procurement operations which deliver value for money
- d) A and C
- e) All the above

**1.8 Which type of procurement is concerned with the determination of Key Performance Indicators, the measurement and regulation thereof? (2 Marks)**

- a) Performance Procurement
- b) Strategic Procurement
- c) Project Procurement
- d) Operational Procurement

**1.9 Which phase of supplier lifecycle management, help a company spot the supplier issues at the early stage and ensures issues are solve on time (2 Marks)**

- a) Supplier Qualifications
- b) Supplier On-boarding
- c) Supplier Performance Management
- d) Supplier Evaluation

**1.10 One of the enablers of sustainable procurement is ensuring that there is no grievance mechanism in place for bidders, because this takes up too much time and delays implementation. (2 Marks)**

- a) True
- b) False

**1.11 The Most Economically Advantageous Tender (MEAT) is a method of assessment that can be used as the selection procedure, allowing the contracting party to award the contract based on aspects of the tender submission other than just price. (2 Mark)**

- a) True
- b) False

**1.12 Understanding an organization's supply chains is of strategic importance because it allows the procurement manager to determine which suppliers to give tenders to, especially those who give him/her great Christmas gifts. (2 Marks)**

- a) True
- b) False

**1.13 Governments must deliver public services within a sustainable financial framework. (2 Marks)**

- a) True
- b) False

**1.14 Sustainable procurement has the potential to drive down costs, eliminate waste and build a better brand reputation. (2 Marks)**

- a) True
- b) False

**1.15 Risk mitigation is not something that needs to be considered in procurement, because the market trends are always changing, and nothing can be done about it. (2 Marks)**

- a) True
- b) False

**1.16 Total cost of ownership (TCO) is a method of assigning overhead and indirect costs—such as salaries and utilities—to products and services. (2 Marks)**

- a) True
- b) False

**1.17 Activity-based costing (ABC) is an assessment of all costs, direct and indirect, involved with an item over the useful life of that item. (2 Marks)**

- a) True
- b) False

**1.18 Outsourcing all critical activities is a trend where the idea is to achieve significant cost leverage (2 Marks)**

- a) True
- b) False

**1.19 Organisations are becoming more aware of the strategic dimension of the make-or-buy decision (2 Marks)**

- a) True
- b) False

**1.20 In planning the statement of work, all the following should be considered performance measurements, deliverables, delivery schedule, performance schedule and service levels. (2 Marks)**

- a) True
- b) False

**SECTION A: 40 TOTAL MARKS**

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

**QUESTION 2**

Describe and analyze the Centralized, Decentralized, or Hybrid approaches to Procurement. Explain your preferred approach with due consideration to the advantages and disadvantages of each. **(20 Marks)**

**QUESTION 3**

Compare and contrast the cost analysis methodologies of Total Cost of Ownership (TCO) and Activity Based Costing (ABC). In your analysis, explain the application as well as the intended outcomes of both methodologies. **(20 Marks)**

**QUESTION 4**

Assume you are the Procurement Consultant for an organization. You have been asked by the Executive: Procurement to advise them on the ethics and professional behavior in the context of Strategic Procurement Management. In your advisory, explore the principles and issues underpinning ethical procurement as well as risks related to unethical procurement. **(20 Marks)**

**SECTION B: 60 TOTAL MARKS**

**TOTAL MARKS:100**

**ALL THE BEST**