



# MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY

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## UNIVERSITY EXAMINATIONS 2023/2024

FIRST YEAR, SECOND TRIMESTER EXAMINATION FOR THE DIPLOMA IN SUPPLY  
CHAIN MANAGEMENT

### BUS/CU/SC/CR/01/6/A: PROCUREMENT OF GOODS AND SERVICES

DATE: APRIL 2024

TIME: 2 HOURS

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**INSTRUCTIONS: Answer Question ONE and any other Three questions.**

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#### SECTION A (40 MARKS)

1. Define the following terms as used in procurement: (3 Marks)
  - i. Goods
  - ii. Services
  - iii. Works
2. Elaborate the functions of a procurement department in an organization. (4 Marks)
3. Explain why organizations buy goods, works and services. (5 Marks)
4. Elaborate the relationship between the procurement department and other functions of the organization. (5 Marks)
5. Elaborate what is procurement management, and why it is important for organizations. (5 Marks)
6. How do you ensure compliance with legal and regulatory requirements in procurement activities? (4 Marks)
7. Name some of the Factors to consider in preparation of procurement budget. (3 Marks)



MUST is ISO 9001:2015 and



ISO/IEC 27001:2013 CERTIFIED

8. What are some common challenges faced in procurement management, and how can they be mitigated? (5 Marks)
9. What role does technology play in modern procurement management practices? (3 Marks)
10. How can project managers monitor and assess supplier performance to ensure adherence to quality standards and project requirements? (3 Marks)

**SECTION B – Long Answer Questions – Answer Any Questions. (60 MARKS)**

The transport department of ADIX company where you are the procurement officer has identified the need of updated computers in their department to be able to track the movement of the organizations vehicles and other activities that take place in that department. There are no spare computers in the organization.

11. a. State and elaborate the procurement process that will help you to purchase the required computers for the transport department. (10 Marks)  
b. Name FIVE disadvantages of purchasing excess goods in an organization. (5 Marks)  
c. How do you negotiate contracts with suppliers to achieve the best value for the organization? (5 Marks)
12. a. Highlight the role of stakeholders in the procurement planning process. (10 Marks)  
b. Enumerate the various procurement contracts and their components. (10 Marks)
13. a. Explain the principles of transparency, fairness, and accountability in TVET procurement activities. (7 Marks)  
b. Describe the methods for managing procurement risks specific to procurement projects. (6 Marks)  
c. Discuss various documents used in the procurement process. (7 Marks)
14. a. Enumerate the relationship between procurement department and other departments of the organization. (10 Marks)  
b. Explain the various sources of information relating to potential suppliers. (10 Marks)