

Name _____

Index No. _____

2903/304

3305

INTERNATIONAL PURCHASING

July 2015

Time: 3 hours

Candidate's Signature _____

Date _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN SUPPLY CHAIN MANAGEMENT
MODULE III

BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE EXAMINATIONS
STAGE III

INTERNATIONAL PURCHASING

3 hours

INSTRUCTIONS TO CANDIDATES

Write your name and index number in the spaces provided above.

Sign and write the date of the examination in the spaces provided above.

This paper consists of SEVEN questions.

Answer any FIVE questions in the spaces provided in this question paper.

All questions carry equal marks.

Do NOT remove any pages from this question paper.

Candidates should answer the questions in English.

For Examiner's Use Only

Question	1	2	3	4	5	6	7	TOTAL SCORE
Candidate's Score								

This paper consists of 16 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

1. (a) Explain the benefits that may accrue to a retail establishment from buying its merchandise from international sources. (10 marks)
- (b) A business firm has established an international purchasing unit in its procurement department. Explain the responsibilities that would be handled by the unit. (10 marks)
2. (a) Explain the advantages of using international standards in specifying quality of materials to be sourced from international markets. (10 marks)
- (b) A firm seeking equipment from international sources intends to use a local agent to assist in procurement of the equipment. Explain the types of activities the agent would be expected to perform on behalf of the firm. (10 marks)
3. (a) Disputes often arise in international purchasing. Explain the potential sources of disputes between a buyer and supplier in international purchasing. (10 marks)
- (b) Explain ways in which the Government may facilitate international purchasing. (10 marks)
4. (a) Some purchasing organizations use partnership as a strategy to manage relationships with suppliers. Explain the unique challenges that such organizations face in the application of partnership strategy in relation to international suppliers. (10 marks)
- (b) Explain the global factors that should be considered in the development of international purchasing strategies. (10 marks)
5. (a) Explain the negative consequences of unethical purchasing practices in international sourcing. (10 marks)
- (b) Explain the factors that a purchasing manager should consider in preparing budgets for international purchasing. (10 marks)
6. (a) Explain the importance of letters of credit in international purchasing. (10 marks)
- (b) Explain the factors which may cause delays in payments to international suppliers. (10 marks)
7. (a) Explain the factors which may complicate execution of international purchasing contracts. (10 marks)
- (b) Explain the challenges which a Kenyan buyer would face when purchasing materials from COMESA regional economic bloc. (10 marks)