

2903/304

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**INTERNATIONAL PURCHASING**

**July 2016**

**Time: 3 hours**



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT  
MODULE III  
BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE  
EXAMINATIONS**

**INTERNATIONAL PURCHASING**

**3 hours**

**INSTRUCTIONS TO CANDIDATES**

*This paper consists of SEVEN questions.*

*Answer any FIVE questions in the answer booklet provided.*

*All questions carry equal marks.*

*Candidates should answer the questions in English.*

**This paper consists of 2 printed pages.**

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

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**Turn over**

1. (a) Explain **six** challenges facing international purchasing. (12 marks)
- (b) Explain the following documents used in international trade.
- (i) Performance bond
  - (ii) Carriage paid to
  - (iii) Free-on-board
  - (iv) Cost Insurance Freight
- (8 marks)
2. (a) Describe **five** indicators of fraud in international purchasing. (10 marks)
- (b) Explain **five** factors that may influence the method of payment in an international purchasing contract. (10 marks)
3. (a) Describe the current trends in global procurement that should be of concern to international procurement officers. (10 marks)
- (b) Explain **five** reasons why producer cartels grow in international trade. (10 marks)
4. (a) Discuss **five** roles of regional economic blocs in international purchasing. (10 marks)
- (b) Explain **five** procedures used in specifying materials requirements in international purchasing. (10 marks)
5. (a) Kavu Company Limited is involved in a dispute with an overseas supplier. Explain **five** methods which the Company can use to settle the dispute. (10 marks)
- (b) Explain **five** roles of International Organization for Standardization (ISO) in procurement management. (10 marks)
6. (a) Outline any **four** differences between global sourcing and international sourcing. (8 marks)
- (b) Describe **six** features of an effective commodity market. (12 marks)
7. (a) Explain **five** advantages of globalization in purchasing. (10 marks)
- (b) Discuss **five** roles of the World Trade Organisation (WTO) in international purchasing management. (10 marks)

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