

2903/304

3305

INTERNATIONAL PURCHASING

July 2023

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN SUPPLY CHAIN MANAGEMENT

MODULE III

BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE EXAMINATION

STAGE III

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 all both pages are printed as indicated and that no questions are missing.

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Turn over

1. (a) Some organizations opt to purchase their requirements from international supply markets. Explain **five** reasons which would prompt them to make this decision. (10 marks)
- (b) Payments to foreign suppliers should be properly scrutinized. Explain **five** factors which should be considered when processing payments to foreign suppliers. (10 marks)
2. (a) Quality of materials procured from foreign suppliers should be properly specified. Explain **six** methods which should be used to specify quality of materials. (12 marks)
- (b) International purchasing transactions are guided by specific commercial contract terms. Explain any **four** international contract terms (Incoterms) that could be used for this purpose. (8 marks)
3. (a) Explain **five** advantages of using foreign agents in international purchasing. (10 marks)
- (b) Explain **five** ways in which the government may facilitate international purchasing. (10 marks)
4. (a) Piracy has emerged as an important threat in international freight. Explain **five** ways in which this threat could be mitigated against in international purchasing. (10 marks)
- (b) Explain **five** ways in which international purchasing could be disadvantageous to a country. (10 marks)
5. (a) Globalization concept has resulted to removal of various barriers to international trade. Explain **five** ways in which this has affected international purchasing. (10 marks)
- (b) International purchasing often involves complex transactions. Explain **five** ways in which use of Information Communication Technology may enhance international purchasing operations. (10 marks)
6. (a) International purchasing transactions involves some disputes. Explain **five** possible sources of disputes which could arise from international purchasing process. (10 marks)
- (b) Explain **five** roles of World Trade Organizations (WTO) in international purchasing. (10 marks)
7. (a) Explain **five** factors which may complicate clearance of goods purchased from international suppliers. (10 marks)
- (b) Explain **five** limitations of using barter as a method of payment in international purchasing. (10 marks)

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