

1. (a) Highlight **five** areas of relationship between the purchasing department and the human resource department. (10 marks)
- (b) Quality is a major consideration in purchasing function. Explain the indicators of a quality conscious supplier. (10 marks)
2. (a) Explain **five** factors that should be considered by an organisation when setting purchasing objectives. (10 marks)
- (b) Highlight the specific input of the technical staff from the user department in the process of preparing materials specifications. (10 marks)
3. (a) Mwango Company Limited is offering to sell its products at a lower price as compared to other suppliers. Explain **five** reasons that could account for the offer. (10 marks)
- (b) Explain **five** reasons organisations prefer use of other sources of information concerning potential suppliers despite the popularity of the internet. (10 marks)
4. (a) Explain the factors that could contribute to lead time variability in supply chain management. (10 marks)
- (b) Highlight the costs of bulk purchases in supply chain management. (10 marks)
5. (a) Highlight the consequences to an organization that rejects goods delivered by a supplier. (10 marks)
- (b) Highlight the nature of information which accounts section could obtain from purchasing documents while settling payments. (10 marks)
6. (a) Some large organizations prefer using sampling method of inspection in materials management. Explain **five** factors that could contribute to the preference. (10 marks)
- (b) Highlight the components of a physical distribution system. (10 marks)
7. (a) Explain the measures that a distribution manager could institute to ensure timely delivery of materials to the market. (10 marks)
- (b) Prompt payment of suppliers invoices is vital in supply chain management. Explain the ways which an organization could ensure prompt payment of suppliers. (10 marks)