

Name _____ Index No _____

3309
2903/202
PUBLIC PROCUREMENT AND FINANCE
July 2015
Time: 3 hours

Candidate's Signature _____

Date _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL
DIPLOMA IN SUPPLY CHAIN MANAGEMENT
MODULE II
BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE
EXAMINATIONS
STAGE III

PUBLIC PROCUREMENT AND FINANCE

3 hours

INSTRUCTIONS TO CANDIDATES

Write your name and index number in the spaces provided above.
Sign and write the date of 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) You have been appointed to be the chairperson of a tender committee in a public entity. Explain the challenges which the committee is likely to face when carrying out its functions. (10 marks)
- (b) Public Procurement Oversight Authority (PPOA) is expected to support procurement entities in the implementation of Public Procurement Regulations. Explain **five** ways in which PPOA provides this support. (10 marks)
2. (a) Explain the issues which could cause conflicts between user departments and procurement units in a public entity. (10 marks)
- (b) Explain **five** ways in which public procurement would enhance services delivery to citizens in Kenya. (10 marks)
3. (a) Public Procurement and Disposal Act (PPDA 2005) provides various rules which guide public entities in procurement of requirements. Explain the challenges which procurement entities experience when implementing these rules. (12 marks)
- (b) Explain the circumstances under which restricted tendering would be used in public procurement. (8 marks)
4. (a) Explain the provisions of the Public Procurement and Disposal Rules (PPDR) regarding the specifications of quality of materials and services to be procured in a public entity. (8 marks)
- (b) Open tendering method is widely used in public procurement. Explain the shortcomings of open tendering method in the award of contracts for public projects. (12 marks)
5. (a) Explain the advantages of using public funds to procure materials from informal enterprises in Kenya. (10 marks)
- (b) Explain the ways in which budget deficits can be financed. (10 marks)
6. (a) Explain the importance of national budget in economic development. (10 marks)
- (b) Highlight ways in which e-procurement system would enhance service delivery in the public sector. (10 marks)
7. (a) Some countries seek financial support from international donors for their development projects. Explain the shortcomings of relying on this source of funds in public procurement. (10 marks)
- (b) A procurement entity which has been using a manual procurement system intends to introduce e-procurement system in its operations. Explain the factors which the entity should consider before introducing the system. (10 marks)