



PAN AFRICA CHRISTIAN UNIVERSITY

BACHELORS OF COMMERCE

END OF TERM EXAMINATION

DEPARTMENT: BUSINESS

COURSE CODE: DIPLOMA

COURSE TITLE: PURCHASING MATERIALS I

ROYSAMBU CAMPUS

INSTRUCTIONS

- This examination script consists of **six (6)** questions.
- Answer question ONE and ANY other three Questions.
- Show all your workings
- Read all questions carefully before attempting.

Write your **student number** on the answer booklet provide

Question One

- a) Using relevant examples, discuss the purpose of:
 - i. Issuing function (2marks)
 - ii. Dispatch function (2marks)
- b) Using relevant examples, describe the following terms: (6marks)
 - i. Supplier evaluation
 - ii. Ethical sourcing
 - iii. Supplier relationships

Question Two

- a) Discuss the importance of need specifications and quality in material purchasing (4marks)
- b) Citing a relevant example from a manufacturing firm, explain the process of costing the identified need (6marks)

Question Three

- a) Identify the capital and revenue purchasing techniques (3marks)
- b) Using relevant examples, describe the various methods of purchasing (7marks)

Question Four

Using relevant examples, discuss how each of the following is done: (10marks)

- a) Planning and control of materials
- b) Stores organization and management
- c) Stores auditing and inspection

Question Five

Explain any five factors to consider while selecting a store or a warehouse (10marks)

Question Six

Using relevant examples, describe how the following systems work: (10marks)

- a) Stores location systems
- b) Coding systems
- c) Logistical systems