



DIPLOMA IN SUPPLIES MANAGEMENT
END OF SEMESTER EXAMINATION
DSM 104: LEGAL ISSUES IN PURCHASING

APRIL 2022

ONLINE CLASS

Instructions

- i) This exam paper contains SIX questions containing 10 marks each.**
 - ii) Answer Question 1 (COMPULSORY) and any other THREE questions**
 - iii) Read each question carefully before attempting.**
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QUESTION ONE

- a) Describe the meaning of purchasing. (2 marks)
- b) Explain the term procurement. (2 marks)
- c) Discuss the meaning of materials management. (2 marks)
- d) Define a Contract according to the Law of Contract. (2 marks)
- e) Explain the Sale of Goods according to the Sale of Goods Act. (2 marks)

QUESTION TWO

- (a) Describe the supply management concept. (2 marks)
- (b) Discuss FOUR activities involved in supply management. (8 marks)

QUESTION THREE

- (a) Describe any FOUR factors considered in establishing purchasing liaison. (4 marks)

- (b) In order to undertake the five rights in the purchasing department, there are specific roles the department performs; explain FIVE of these roles.

(6 marks)

QUESTION FOUR

- (a) Explain any FOUR value adding benefits derived from supply management function.

(4 marks)

- (b) Outline any SIX areas of relationship between the purchasing department and user departments.

(6 marks)

QUESTION FIVE

- (a) Explain any TWO rights fulfilled by the purchasing department. (2 marks)

- (b) Describe the FOUR elements of the “Sale of Goods” as provided for in the Act.

(8 marks)

QUESTION SIX

- (a) Define an Offer as is provided in the Law of Contract Act. (2 marks)

- (b) Explain any FOUR ways in which a contract may be terminated. (8 marks)