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1903/202

SUPPLY CHAIN MANAGEMENT AND
PURCHASING PRINCIPLES

July 2015

Time: 3 Hours

Candidate's Signature _____

Date _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL

**CRAFT CERTIFICATE IN SUPPLY CHAIN MANAGEMENT
MODULE II**

SUPPLY CHAIN MANAGEMENT AND PURCHASING PRINCIPLES

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 FIFTEEN questions in TWO sections, A and B.**Answer ALL the questions in Section A and any FOUR questions from Section B in the spaces provided in this question paper.**Candidates should answer the questions in English.***For Examiner's Use Only**

Section	Question	Maximum Score	Candidate's Score
A	1-10	32	
B		17	
		17	
		17	
		17	
Total Score		100	

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.

Answer **ALL** the questions in this section in the spaces provide.

1. Highlight **three** purposes of an invoice in purchasing of materials. (3 marks)

2. Outline **three** advantages of rail transport in supply chain management (3 marks)

3. List **three** features of a good materials specification. (3 marks)

4. State **two** disadvantages associated with sampling method of inspection. (2 marks)

5. State **four** responsibilities of a purchasing supervisor in an organization.

(4 marks)

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6. List **four** factors which a purchasing supervisor should consider when determining the quantities of materials to order.

(4 marks)

7. State **two** differences between lead time and delivery time.

(2 marks)

8. State **four** advantages of using single sourcing in supply chain management.

9. Identify **three** types of orders commonly used in supply chain management. (3 marks)

10. Name **four** documents which could be used when inspecting incoming consignments in an organization. (4 marks)

Answer **ANY FOUR** questions from this section in the spaces provided after question 15.

11. (a) Explain **six** potential sources of conflict between the purchasing department and marketing department. (9 marks)
- (b) Highlight **four** factors that a purchasing supervisor should consider when determining the quality of materials to purchase. (8 marks)
12. (a) Explain **six** factors that a purchasing supervisor should consider when determining the method of payment to use when paying suppliers. (9 marks)
- (b) Highlight **four** benefits that may accrue to an organization from using standard pricing method when pricing its materials. (8 marks)
13. (a) Nox Company Limited is expecting a consignment of materials from its suppliers. Explain the necessary preparations that should be made to receive the consignment. (9 marks)
- (b) Highlight the purposes of an order document. (8 marks)
14. (a) Explain **six** challenges likely to be faced by a purchasing organization which uses road transport in transportation of its materials. (9 marks)
- (b) Explain **four** factors that may influence an organization to buy its materials from foreign supplies. (8 marks)
15. (a) Highlight **six** reasons of evaluating suppliers. (9 marks)
- (b) Highlight **four** purposes of consignment note in transportation of goods. (8 marks)