1903/202 1907/206 SUPPLY CHAIN MANAGEMENT AND PURCHASING PRINCIPLES July 2018 Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

CRAFT CERTIFICATE IN SUPPLY CHAIN MANAGEMENT CRAFT CERTIFICATE IN COOPERATIVE MANAGEMENT

MODULE II

SUPPLY CHAIN MANAGEMENT AND PURCHASING PRINCIPLES



INSTRUCTIONS TO CANDIDATES

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

Answer ALL the questions in section A and any FOUR questions from section B in the answer booklet provided.

Maximum marks for each part of a question are as indicated.

Candidates should answer the questions in English.

This paper consists of 3 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

SECTION A (32 marks)

Answer ALL the questions in this section.

- State four advantages to an organization of centralizing its purchasing activities. -1. (4 marks) 2. List three purposes served by specifications when purchasing materials in an organization. (3 marks) 3. Highlight four factors that may lead to stock-outs in an organization. (4 marks) 4 State three methods that an organization may use to price its materials. (3 marks) Highlight three factors that a supply chain officer should consider when determining sources of supply of materials for an organization. (3 marks) 6 List three types of information contained in a tender evaluation form. (3 marks) 7. State three ways in which a supply chain officer may expedite purchase orders. (3 marks) Outline three types of reports that an inspection officer may prepare after checking goods 8. delivered by a supplier. (3 marks) 9 State three causes of an over-charge on an invoice from a supplier of goods. (3 marks) 10. Highlight three uses of a Bill of Lading when transporting goods. (3 marks) Trasportation of SECTION B (68 marks) Answer FOUR questions from this section. 11. (a) Highlight four ways in which the purchasing function may minimise operating costs in an organization. (8 marks) exclotion. (b) Explain six advantages to an organization of using the open tender method to source for its materials. (9 marks)
 - (b) Highlight six factors that may cause variation of lead-time in supply chain operations.

of materials to be purchased.

(9 marks)

(8 marks)

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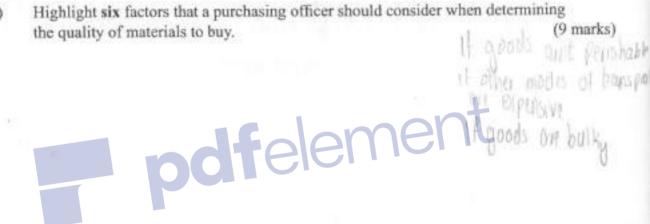
12.

(a)

4

Explain four features that a purchasing officer may refer to when describing quality

- Explain four advantages to an organization of using internet as a source of 13. (a) (8 marks) information about potential suppliers.
 - Highlight six methods that a supply chain officer may use to purchase low value (b) (9 marks) items in an organization.
- You have been assigned the task of choosing inspection method for an incoming (a) consignment. Highlight four factors that you will consider when choosing the (8 marks) method.
 - Highlight six documents that may be used in processing payment for goods delivered (b) (9 marks) by a supplier. Kelidaliti.
- Explain four circumstances under which it may be appropriate for an organization 45. (a) (8 marks) to use the road mode when transporting its goods.
 - Highlight six factors that a purchasing officer should consider when determining (b) the quality of materials to buy.



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