



MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY

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University Examinations 2023/2024

SECOND YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF
BACHELOR OF BUSINESS ADMINISTRATION

FIRST YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR
OF HUMAN RESOURCE MANAGEMENT

BBS 3125: PRINCIPLES OF PROCUREMENT

DATE: APRIL 2024

TIME: 2 HOURS

INSTRUCTIONS: Answer question *one* and any other *two* questions

QUESTION ONE (30 MARKS)

- a) Analyse how a state corporation in Kenya can achieve value for money (VFM) through procurement related practices (6 Marks).
- b) (i) Define the term trade-off in the context of procurement (2Marks).
(ii) Analyse the common trade-offs in procurement and the associated opportunity costs (6 Marks).
- c) Discuss the rationale behind due diligence practice prior to award of a contract to the most responsive bidders in a state corporation in Kenya (6 Marks).
- d) Demystify the difference between procurement and purchasing practices (4 Marks).
- e) Explain the key performance indicators in procurement (6 Marks).

QUESTION TWO (20 MARKS)

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a) Explain ways of developing ethical culture in public procurement (10 Marks).

b) Discuss any five procurement methods that can be used by public entities to procure goods, services and works as outlined in the public procurement and asset disposal act, 2015 (10 Marks).

QUESTION THREE (20 MARKS)

a) In the contemporary business environment, world class firms are replacing the traditional sourcing practices with strategic sourcing practices. Justify the reasons behind this unprecedented phenomenon (10 Marks).

b) Discuss the general procurement and asset disposal principles as anchored in PPADA, 2015 (10 Marks)

QUESTION FOUR (20 MARKS)

a) (i) Define the term ploy (2 Marks).

(ii) Explain the common procurement ploys applied in contract negotiations (8 Marks).

b) Discuss the factors that contribute to procurement risk in the current business environment (10 Marks).

QUESTION FIVE (20 MARKS)

Write short notes in line with the following procurement terms:

a) Tender document (4 Marks).

b) Bid bond (4 Marks).

c) Sustainable procurement (4 Marks).

d) Ad hoc evaluation committee (4 Marks).

e) Public procurement administrative review board (4 Marks).