



UGANDA BUSINESS AND TECHNICAL EXAMINATIONS BOARD

Business and Humanities Certificate Examinations

MAY-JUNE 2020 SERIES

PROGRAMME

NCBA, NCPLM

PAPER NAME

ELEMENTS OF PURCHASING AND SUPPLIES MANAGEMENT

PAPER CODE

NCPS121

YEAR I, SEMESTER II

2½ HOURS

FRIDAY, 23RD APRIL, 2021

INSTRUCTIONS TO CANDIDATES

1. This paper consists of **two** sections **A** and **B**.
2. Section **A** is compulsory and carries **20** marks.
3. Section **B** consists of **six** questions. Answer only **four** questions from this section.
4. All questions carry equal marks.
5. All answers to each question should begin on a fresh page.
6. **Do not** write on the question paper.
7. All answers and rough work should be done in the official answer booklet provided.
8. Read other instructions on the answer booklet.

SECTION A - (20 MARKS)

Answer all questions in this section.

Question One

- (a) Define the term **purchasing**. (02 marks)
- (b) Identify **two** objectives of the purchasing function of an organization. (02 marks)
- (c) Outline **two** sources of information for writing specifications. (02 marks)
- (d) List **two** principles of specification writing. (02 marks)
- (e) Define **Decentralized purchasing**. (02 marks)
- (f) Outline **two** factors that affect positioning of the purchasing function in an organization structure. (02 marks)
- (g) State **two** reasons why a firm may opt to manufacture its own inputs. (02 marks)
- (h) Identify **two** advantages associated with the use of small suppliers. (02 marks)
- (i) State **two** ethical principles in business. (02 marks)
- (j) Define the term **ethical code** as used in purchasing. (02 marks)

SECTION B - (80 MARKS)

Answer only four questions from this section.

Question Two

Lillian was tasked to make a detailed statement of requirement for the procurement of various supplies for the organization. She has approached you for guidance on how she can accomplish her assignment;

- (a) Outline **six** elements of the document that Lillian is expected to prepare. (06 marks)
- (b) Discuss **three** methods that she may use in performing her assignment. (06 marks)
- (c) Explain **four** roles played by the document that Lillian is expected to prepare in the purchasing process. (08 marks)

Question Three

- (a) Discuss **five** categories of purchases that a manufacturing company may use in its operations. (10 marks)
- (b) Explain **five** roles played by a Purchasing Officer in the acquisition of the purchase in 2 (a). (10 marks)

Question Four

A report on the performance of selected procuring and disposing entities for the financial year 2019/2020 recommended that necessary documents be used while acquiring different goods and services from suppliers.

- (a) Discuss **five** documents that the entities may use while acquiring the goods and services. (10 marks)
- (b) State **five** justifications for the entities to use the documents in 4(a) in their transactions. (10 marks)

Question Five

The Director of Lake Shores manufacturing Company Limited thinks purchasing is just buying a product from the market and that there is no need to have a purchasing department in the organization.

- (a) Discuss **five** objectives of the department mentioned by the Director. (10 marks)
- (b) Explain how the department relates to any **five** other departments in the company. (10 marks)

Question Six

The management of Real (U) Ltd suggested that the Company carries out evaluation of its suppliers, however, the suggestion was rejected by the Directors arguing that the exercise is expensive and unnecessary.

- (a) State **five** conditions that make this exercise necessary for the company's success. (10 marks)
- (b) Discuss **five** factors that are considered when carrying out the exercise. (10 marks)

Question Seven

Walukibi Cement Limited is in the processes of introducing Green purchasing in its operations. You have been consulted by the management of the company for further guidance about this new practice.

- (a) State **five** reasons why it is necessary for the company to introduce the proposed purchasing strategy. (10 marks)
- (b) Explain **five** challenges that are associated with the implementation of the proposed purchasing strategy. (10 marks)

END