

2903/304

3305

INTERNATIONAL PURCHASING

July 2016

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT
MODULE III**

**BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE
EXAMINATIONS**

INTERNATIONAL PURCHASING

3 hours

INSTRUCTIONS TO CANDIDATES

This paper consists of SEVEN questions.

Answer any FIVE questions in the answer booklet provided.

All questions carry equal marks.

Candidates should answer the questions in English.

This paper consists of 2 printed pages.

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

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Turn over

1. (a) Explain six challenges facing international purchasing. (12 marks)
- (b) Explain the following documents used in international trade.
 - (i) Performance bond
 - (ii) Carriage paid to
 - (iii) Free-on-board
 - (iv) Cost Insurance Freight

(8 marks)
2. (a) Describe five indicators of fraud in international purchasing. (10 marks)
- (b) Explain five factors that may influence the method of payment in an international purchasing contract. (10 marks)
3. (a) Describe the current trends in global procurement that should be of concern to international procurement officers. (10 marks)
- (b) Explain five reasons why producer cartels grow in international trade. (10 marks)
4. (a) Discuss five roles of regional economic blocs in international purchasing. (10 marks)
- (b) Explain five procedures used in specifying materials requirements in international purchasing. (10 marks)
5. (a) Kavu Company Limited is involved in a dispute with an overseas supplier. Explain five methods which the Company can use to settle the dispute. (10 marks)
- (b) Explain five roles of International Organization for Standardization (ISO) in procurement management. (10 marks)
6. (a) Outline any four differences between global sourcing and international sourcing. (8 marks)
- (b) Describe six features of an effective commodity market. (12 marks)
7. (a) Explain five advantages of globalization in purchasing. (10 marks)
- (b) Discuss five roles of the World Trade Organisation (WTO) in international purchasing management. (10 marks)

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