



FACULTY OF MANAGEMENT AND ADMINISTRATION

Third year Marketing Final Examination

**COURSE TITLE: PURCHASING AND MATERIALS MANAGEMENT
MKT 302**

SEMESTER ONE: November 2014

TIME ALLOCATED: 3HOURS

LECTURER: A.M.Gumbo

INSTRUCTIONS

Section A - Answer all questions

Section B- Choose and answer any TWO essay questions.

Credit will be given for logical, systematic and neat presentations.

Anyone caught cheating will be disqualified

SECTION A: Answer all questions in this section. Mark allocations are indicated in brackets.

1. What is the prime objective of “Purchasing and Materials Management” in a manufacturing organization? [2]
2. Why has P. & M. Mgt assumed greater importance in manufacturing and retail businesses in recent years? [2]
3. What two features distinguish the “integrated” approach to Purchasing and Materials Management from the “traditional” approach? [2]
4. Where in Michael Porter’s Business Value-Addition model does “Purchasing and Materials Management” lie? [2]
5. Name any five functions that form the subject matter of P. & M. Mgt. [5]
6. What is the difference between “Procurement” and “Purchasing”? [2]
7. Give two advantages and two disadvantages of using the tender system of purchasing or securing project works in the public sector. [4]
8. What three documents may be used in the process of selecting a supplier in the purchasing cycle? [3]
9. What functions may a bar coding system play at a modern Point of sale till in a supermarket? [3]
10. Give any three reasons why a business may need to keep stocks of goods/materials in Africa and most developing countries. [3]
11. What is the major difference between “cost of materials” and “cost on materials” in P.& M.M.? [2]
12. What two variables are the target of Stock/inventory control activities? [2]
13. What do the letters EOQ stand for and what in real life does this represent? [2]
14. What is a “bin card” in materials management and what is it used for? [2]
15. Explain the gist of the 80-20 Pareto principle. How does the ABC stock/inventory control system apply this principle in practice? [3]
16. Name the two most common types of stock-taking applied in business. [1]
17. What do the “Incoterms” C.I.F and Ex-works mean when used in conjunction with a price? In reality what are the effects of these arrangements for the supplier and the purchaser? [4]

18. Name the three common varieties of “visual stock control” methods used by businesses. [3]
19. What is a “Comparative Schedule” in the Tendering system of purchasing? [2]
20. Why is the tendering system of selecting suppliers most preferred in the public service? [2]

SECTION B: Choose and answer **TWO essay questions** from this section.

1. Why and how does a purchaser/buyer ensure the achievement of the five R’s of good purchasing for and on behalf of a business? [25marks]
2. Discuss the central role of the STORES department as a service to the other departments. Typically what information is communicated between this department and the others for the smooth-running of the business? [25marks]
3. What are the major purposes of implementing inventory/stock control. Using any two different methods illustrate how such control is exercised. [25marks]
4. Discuss the tendering process and how it is typically administered in the public sector from advertising to contract award. [25marks]

End of Paper