GRETSA UNIVERSITY – THIKA

UNIVERSITY EXAMINATIONS

JANUARY – APRIL 2026 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCPS 200

COURSE TITLE: PURCHASING AND SUPPLIES MANAGEMENT

DATE : APRIL 2026 **TIME: 2 HOURS**

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY.**
2. SECTION B: ANSWER ANY OTHER **TWO** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: *All exam rooms are under CCTV surveillance during the examination period*

SECTION A: COMPULSORY (30 MARKS)

QUESTION ONE (20 MARKS)

a) Purchasing has evolved from a clerical activity into a strategic management function.
Explain the meaning and importance of the purchasing function and trace its evolution in modern organizations. **[10 Marks]**

b) Organizations increasingly integrate purchasing with materials management, logistics, and supply chain management.
Critically discuss these related concepts and explain how they enhance organizational performance. **[10 Marks]**

c) Explain the role of purchasing in ensuring organizational competitiveness. **[5 Marks]**

d) Briefly explain how the structure and organization of the purchasing department can influence efficiency and control. **[5 Marks]**

SECTION B: ANSWER ANY TWO QUESTIONS (20 MARKS EACH)

QUESTION TWO (20 MARKS)

a) The purchasing cycle provides a systematic approach to acquiring goods and services. Analyze the key steps in the purchasing process and explain their significance to organizational control. **[10 Marks]**

b) Examine the role of records and information technology in supporting effective purchasing decisions. **[10 Marks]**

QUESTION THREE (20 MARKS)

a) Quality decisions in purchasing have long-term implications for cost, performance, and reputation.
Discuss the main approaches to quality and the dimensions of quality relevant to purchasing.
[10 Marks]

b) Evaluate the factors affecting quality in purchasing and explain how quality control measures can be implemented. **[10 Marks]**

QUESTION FOUR (20 MARKS)

a) Inventory decisions involve balancing cost and service levels.
Discuss the relevance of inventory holding, inventory costs, and inventory control systems in purchasing. **[10 Marks]**

b) Analyze pricing decisions in purchasing, including the determinants of purchase price and the influence of inflation. **[10 Marks]**

QUESTION FIVE (20 MARKS)

a) Supplier relationships are critical to organizational success.
Discuss the importance of supplier selection and evaluation, and explain how organizations can develop suppliers and build supply partnerships. **[10 Marks]**

b) Supplier performance management is essential for long-term supply chain effectiveness. Discuss the methods used to evaluate supplier performance and explain how the results can be used to improve supplier relationships. **[10 Marks]**