



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT

EXAMINATION PAPER

COURSE CODE : CPS 402
COURSE TITLE : STRATEGIC PURCHASING
SPECIAL REQUIREMENTS : NO SPECIAL REQUIREMENTS
DURATION : 3 Hours
LEVEL : 4:1
DATE : 29 NOV 2022

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. **QUESTION ONE IS COMPULSORY**
3. Answer **QUESTION 1 AND CHOOSE ANY THREE (3)** questions.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []

Question ONE

Case Study

Sourcing breaks down into two categories: source selection (a tactical activity) and source development (a strategic initiative that will be covered later). Source selection can be day-to-day buying for items now available in the marketplace, or looking for lower cost suppliers. Anyone can call a supplier and say, "Hey Joe, what's it cost for 100 mops?" That's why everyone figures they can buy It's easy! But evaluation of suppliers is relevant *before* the buyer buys. Anybody can start a business relationship and find out it doesn't work. The trick is to verify the supplier's capability to perform in advance, before the requisition hits the buyer's desk. From the initial search, the buyer will attempt to identify several potential suppliers. The possible choices are reduced to a few of the best candidates and, after doing the homework, the selection process is completed with the negotiation, agreement, and issuing of the purchase order, possibly to more than one supplier.

Global Purchasing and Supply Management: Fulfill the Vision

Fully explain the concepts of (a) tactical and (b) strategic procurement. **[25 marks]**

QUESTION TWO

Examine five different sourcing approaches that can be used by the procurement officer of a Zimbabwean Small to Medium mining enterprise to sources effectively safety products and materials from suppliers. **[25 marks]**

QUESTION THREE

Discuss five major roles played by regional organisations in facilitating the global procurement of various products by international logistics and supply chain management activities. **[25 marks]**

QUESTION FOUR

With the aid of examples from Zimbabwe, examine the conditions that are necessary for the adoption of Michael Porter's five generic strategies. **[25 marks]**

QUESTION FIVE

With the aid of examples explain the factors that a firm need to consider when opening foreign markets. **[25 marks]**

QUESTION SIX

Outline sourcing challenges faced by rural SMEs in importing high value capital goods.

[25 marks]

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