

D1/January 2015

Diploma in procurement and supply

Contexts of procurement and supply

Date **Wednesday 28 January 2015**

Time **Start 09:30 End 12:30 Duration 3 hours**

QUESTION PAPER

INSTRUCTIONS FOR CANDIDATES

This examination has **FOUR** compulsory questions worth 25 marks each.

1. Do not open this question paper until instructed by the invigilator.
2. All answers must be written in the answer booklet provided.
3. All rough work and notes should be written in the answer booklet.

QUESTIONS

You are advised to spend 45 minutes on each question.

- Q1 (a)** Outline, using examples, **FIVE** elements of the total cost of ownership of capital equipment. **(10 marks)**
- (b)** It is widely believed that it is important to attempt to reduce costs and add value throughout the supply chain.
- Explain **THREE** innovative strategies that might achieve such goals. **(15 marks)**
- Q2 (a)** Outline **THREE** pre-contract award stages of the sourcing process. **(9 marks)**
- (b)** Explain **FOUR** advantages for an organisation of following a structured sourcing process. **(16 marks)**
- Q3 (a)** Define the term 'ethics'. **(5 marks)**
- (b)** Discuss **FIVE** examples of ethical or unethical behaviour that could be addressed in an ethical code for procurement professionals. **(20 marks)**
- Q4** Compare **FIVE** characteristics of manufacturing sector organisations with those of retail sector organisations. **(25 marks)**

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