

D1/July 2015

## Diploma in procurement and supply

# Contexts of procurement and supply

Date **Wednesday 22 July 2015**

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

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## QUESTION PAPER

### INSTRUCTIONS FOR CANDIDATES

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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) Explain **TWO** ways in which 'procurement' differs from 'purchasing'. (10 marks)
- (b) Outline **FIVE** ways in which improving the quality of products can add value for an organisation. (15 marks)
- Q2** (a) Outline **FIVE** stages of the sourcing process. (10 marks)
- (b) Describe **THREE** benefits for an organisation of following a structured sourcing process. (15 marks)
- Q3** (a) Explain **FOUR** advantages for an organisation of adopting a centralised procurement structure. (16 marks)
- (b) Explain the following IT systems used by the procurement or supply chain function:
- (i) Enterprise Resource Planning (ERP)
  - (ii) Materials Requirement Planning (MRP)
  - (iii) Purchase to Pay (P2P). (9 marks)
- Q4** Explain **FIVE** factors that impact on purchasing activities in the retail sector. (25 marks)

**END OF QUESTION PAPER**

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