

D1/July 2018

## Diploma in procurement and supply

# Contexts of procurement and supply

Date **Wednesday 18 July 2018**

---

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** Explain **FIVE** differences between operational expenditure and capital expenditure. **(25 marks)**
- Q2** (a) Outline the potential impact of complex compliance requirements on the achievement of positive outcomes in the sourcing process. **(10 marks)**
- (b) Describe **FIVE** ways in which contract management might add value after the contract award stage of the sourcing process. **(15 marks)**
- Q3** (a) A procurement consortium is a group of separate organisations that combine together for the purpose of procuring goods and services.
- Describe **THREE** disadvantages, for an organisation, of operating within a procurement consortium. **(15 marks)**
- (b) Describe **TWO** advantages for an organisation in having an outsourced procurement function. **(10 marks)**
- Q4** Compare **FIVE** characteristics of manufacturing sector organisations with those of retail sector organisations. **(25 marks)**

**END OF QUESTION PAPER**



**PLEASE RETURN TO:**

CIPS ASSESSMENT MANAGEMENT CENTRE

c/o LINNEY ACTIVATE, A2 GOODS IN

BELLAMY ROAD, MANSFIELD

NOTTINGHAMSHIRE NG18 4LN

UNITED KINGDOM

TEL: +44(0) 845 880 1188

FAX: +44(0) 845 880 1187

[www.cips.org](http://www.cips.org)