

D1/May 2015

## Diploma in procurement and supply

# Contexts of procurement and supply

Date **Monday 18 May 2015**

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Time **Start 14:00 End 17:00 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** Explain **FIVE** differences between operational expenditure and capital expenditure. **(25 marks)**
- Q2** (a) Outline **THREE** ways in which supplier selection may add value in the sourcing process. **(9 marks)**
- (b) Describe **FOUR** uses of electronic systems in the sourcing process. **(16 marks)**
- Q3** (a) Explain **FIVE** ways in which IT based inventory management systems can be used by the procurement and supply chain function. **(15 marks)**
- (b) Define the term 'Conflict of Interest' and explain why governance in this area is particularly important for procurement. **(10 marks)**
- Q4** (a) Compare a private sector organisation with a public sector organisation in the following **THREE** areas:
- (i) Legal and regulatory environments
  - (ii) Organisational objectives
  - (iii) Importance of corporate social responsibility. **(15 marks)**
- (b) Describe **FIVE** ways in which the charitable status of a third sector organisation impacts on its procurement function. **(10 marks)**

**END OF QUESTION PAPER**

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