

D2/November 2017

Diploma in procurement and supply

Business needs in procurement and supply

Date Thursday 16 November 2017

Time Start 14:00 End 17:00 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) Using an example to illustrate, explain the term 'budget'. (5 marks)
- (b) Describe **TWO** approaches to budgeting used to establish procurement targets. (8 marks)
- (c) Explain **THREE** purposes of preparing a budget for a procurement function. (12 marks)
- Q2** (a) Describe the role of a specification at **THREE** different stages within the procurement cycle. (9 marks)
- (b) Assess **FOUR** potential consequences of drafting a poor specification for a contract. (16 marks)
- Q3** Explain **FIVE** types of pricing arrangements that may be used in contractual agreements. (25 marks)
- Q4** (a) Describe **FOUR** factors that have contributed to the growth of outsourcing. (16 marks)
- (b) Outline **THREE** risks to an organisation of outsourcing a non-core activity. (9 marks)

END OF QUESTION PAPER



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