



## Diploma in procurement and supply

# Business needs in procurement and supply

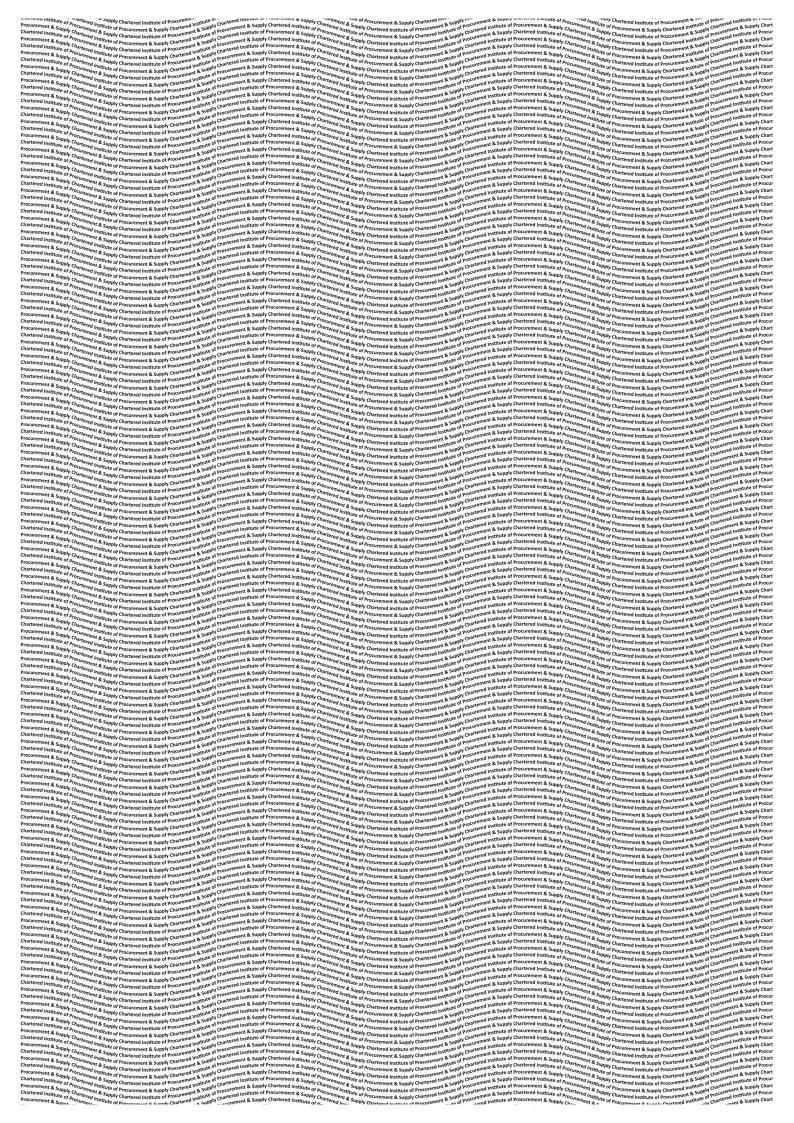
Date	Monday 9 Marc	h 2015		
Time	Start 14:00	End 17:00	Duration	3 hours

### **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)	Define the term 'total lifecycle costing'.	(5 marks)		
	(b)	Describe <b>FIVE</b> costs that should be considered when calculating the lifecycle cost of apart from the purchase price of the item.	an item, (20 marks)		
Q2	(a)	Outline <b>FIVE</b> characteristics of an effective specification.	(10 marks)		
	(b)	Explain <b>THREE</b> reasons in favour of the purchasing function becoming involved in th of a specification.	e drafting (15 marks)		
Q3	Expla	lain the purposes of the following clauses in contracts:			
	(a)	Indemnities.	(5 marks)		
	(b)	Sub-contracting.	(5 marks)		
	(c)	Insurances.	(5 marks)		
	(d)	Guarantees.	(5 marks)		
	(e)	Liquidated Damages.	(5 marks)		
Q4	(a)	Describe <b>FOUR</b> factors that have contributed to the growth of outsourcing.	(16 marks)		
	(b)	Explain <b>THREE</b> reasons why outsourcing projects may fail to achieve their expected benefits. (9 marks)			

#### **END OF QUESTION PAPER**

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