

D4/January 2015

**Diploma in procurement and supply**

# **Negotiating and contracting in procurement and supply**

**Date**            **Monday 26 January 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 (a)** Discuss **TWO** key performance indicators that could be used in a contract with a supplier.  
Illustrate your answer with relevant examples. **(10 marks)**
- (b)** Explain **THREE** reasons why it may be more difficult to develop specifications in contracts for services rather than in contracts for goods. **(15 marks)**
- Q2 (a)** Explain **FIVE** differences between integrative and distributive approaches to negotiation. **(15 marks)**
- (b)** Discuss **TWO** reasons why a buyer might develop a 'best alternative to a negotiated agreement' (BATNA) when preparing for a negotiation. **(10 marks)**
- Q3 (a)** Discuss resourcing considerations when organising a negotiation with an external organisation. **(15 marks)**
- (b)** Explain the importance of setting objectives and defining variables when preparing for a commercial negotiation. **(10 marks)**
- Q4 (a)** Identify **THREE** types of non-verbal communication and explain why each is important in negotiation. **(9 marks)**
- (b)** Explain the use of **FOUR** different types of questions in a negotiation. **(16 marks)**

**END OF QUESTION PAPER**

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