

D4/March 2015

Diploma in procurement and supply

Negotiating and contracting in procurement and supply

Date **Tuesday 10 March 2015**

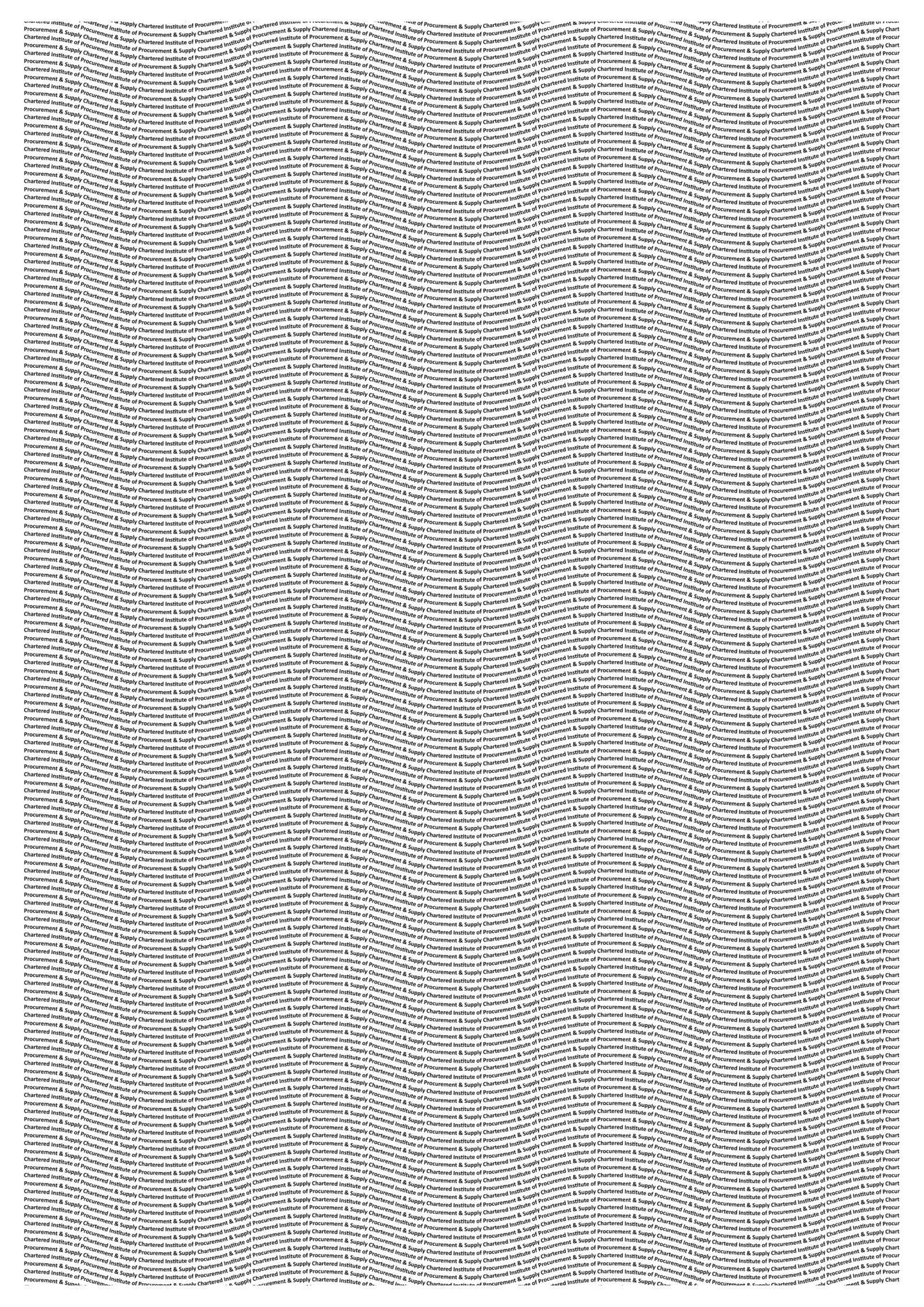
Time **Start 14:00** **End 17:00** **Duration 3 hours**

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) Outline **THREE** risks associated with oral contracts between purchasers and suppliers. **(15 marks)**
- (b) Explain the term 'misrepresentation' in contracts and give **TWO** examples of possible misrepresentation. **(10 marks)**
- Q2** (a) Explain how negotiation could be used during **THREE** different stages of the sourcing process. **(15 marks)**
- (b) Explain how stakeholders can contribute to a commercial negotiation. **(10 marks)**
- Q3** (a) From a buyer's perspective, outline the impact of **FOUR** different market structures on commercial negotiations. **(20 marks)**
- (b) Outline the risk that exchange rates present when negotiating for an international purchase. **(5 marks)**
- Q4** Discuss **FIVE** phases of a negotiation and suggest the activity that might take place at each stage. **(25 marks)**

END OF QUESTION PAPER

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