

D4/November 2014

Diploma in procurement and supply

Negotiating and contracting in procurement and supply

Date **Tuesday 18 November 2014**

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) Identify **FIVE** details of the buyer's requirement that might be included in a standard enquiry (request for quotation) form. **(5 marks)**
- (b) A best-practice tender procedure would include a number of steps for the preparation of the invitation to tender.
Outline **FIVE** steps that should be included in a best-practice tender procedure. **(10 marks)**
- (c) Explain the purposes of a documented specification within a commercial agreement. **(10 marks)**
- Q2** (a) Describe **THREE** sources of personal power that can be used in a commercial negotiation. **(15 marks)**
- (b) Explain the reasons that lead to a monopoly supplier having high power relative to a purchaser in a commercial negotiation. **(10 marks)**
- Q3** (a) Examine **FIVE** resources required for an effective face-to-face negotiation meeting. **(15 marks)**
- (b) Suggest **FIVE** points that should be considered when preparing for a telephone negotiation compared with a face-to-face negotiation. **(10 marks)**
- Q4** (a) Explain **FOUR** tactics that may be used in a commercial negotiation. **(16 marks)**
- (b) Outline **THREE** examples of 'active listening' that may contribute to effective commercial negotiations. **(9 marks)**

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