

D5/May 2018

Diploma in procurement and supply

Managing contracts and relationships in procurement and supply

Date **Friday 18 May 2018**

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** Explain **FIVE** factors that might impact on the nature of the relationship between a purchaser and a supplier. Illustrate your answer with examples. **(25 marks)**
- Q2** (a) Outline the factors that will determine whether 'a representation' becomes a term of the contract. **(15 marks)**
- (b) Explain the advantages and disadvantages of using model form contracts. **(10 marks)**
- Q3** There is a range of risks that an organisation needs to address in its sourcing policy.
- (a) Describe **THREE** areas that might be included in a typical ethical sourcing policy. **(15 marks)**
- (b) Outline **TWO** risks for an organisation if it does not adopt an ethical approach when managing contracts. **(10 marks)**
- Q4** (a) Define 'benchmarking'. **(5 marks)**
- (b) Discuss, with examples, **FOUR** types of benchmarking. **(12 marks)**
- (c) Explain the use of a balanced scorecard approach to the measurement of supplier performance. **(8 marks)**

END OF QUESTION PAPER



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