

D5/November 2017

Diploma in procurement and supply

Managing contracts and relationships in procurement and supply

Date **Monday 13 November 2017**

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) Describe **FIVE** factors that may influence the appropriate type of supplier relationship for a purchasing organisation. (10 marks)
- (b) Explain the following ways in which procurement might contribute to cost management:
- (i) Value analysis
 - (ii) Extending payment terms
 - (iii) Use of information technology. (15 marks)
- Q2** Explain **FIVE** essential elements of a legally binding agreement. (25 marks)
- Q3** (a) Explain the role of 'information assurance' (IA) in managing contractual risk. (10 marks)
- (b) Describe **THREE** tasks that might be undertaken by a contract manager as part of their contract administration duties. (15 marks)
- Q4** (a) Explain **THREE** measures that might be included within a balanced scorecard. (15 marks)
- (b) Explain **ONE** methodology for relationship assessment that can be employed by purchasers and suppliers. (10 marks)

END OF QUESTION PAPER



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