

D5/July 2018

Diploma in procurement and supply

Managing contracts and relationships in procurement and supply

Date **Monday 16 July 2018**

Time **Start 09:30 End 12:30 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) Explain **ONE** difference between internal and external commercial relationships. (5 marks)
- (b) Describe **ONE** relationship type that might be appropriate for:
- (i) A strategic procurement. (6 marks)
- (ii) A routine procurement. (6 marks)
- (c) One of the examples on the relationship spectrum is 'single sourcing'.
Explain **TWO** potential advantages and **TWO** potential disadvantages associated with this approach. (8 marks)
- Q2** (a) Explain **THREE** legal remedies available to a purchaser when a breach of contract occurs. (15 marks)
- (b) Outline the main drawbacks of litigation as a method of resolving contractual disputes. (10 marks)
- Q3** Explain and give examples of **FIVE** types of risk that may potentially impact on the management of contracts. (25 marks)
- Q4** Explain the following terms in the context of improving supplier relationships:
- (i) Vendor rating. (6 marks)
- (ii) Supplier appraisal. (6 marks)
- (iii) Supplier development. (6 marks)
- (iv) Relationship assessment. (7 marks)

END OF QUESTION PAPER



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