NOVEMBER 2012 EXAMINATION

DATE: 15 NOVEMBER 2012

TIME: 14H00 – 16H00
DURATION: 2 HOURS
TOTAL: 100 MARKS
PASS MARK: 40%

PROCUREMENT AND PACKAGING

THIS EXAMINATION PAPER CONSISTS OF 4 SECTIONS:

SECTION A: CONSISTS OF:
(i) 10 MULTIPLE-CHOICE QUESTIONS (10 MARKS)
(ii) 5 TRUE OR FALSE QUESTIONS (10 MARKS)
(iii) 10 MATCHING-STATEMENT QUESTIONS (10 MARKS)

SECTION B: CONSISTS OF 3 SHORT QUESTIONS
ANSWER ALL THE QUESTIONS (10 MARKS)

SECTION C: CONSISTS OF 3 LONG ANSWER QUESTIONS
ANSWER ALL THE QUESTIONS (40 MARKS)

SECTION D: CONSISTS OF 3 INTERPRETATIVE QUESTIONS
ANSWER ONE OF THE QUESTIONS (20 MARKS)

INSTRUCTIONS:
1. Read the following instructions carefully before answering the paper, as failure to act upon them will result in a loss of marks.
2. Write your answers in your answer book, which is provided in the exam.
3. Ensure that your name and student number are clearly indicated on your answer book.
4. Write your answers in either blue or black ink in your answer book.
5. Read each question very carefully before you answer it and number your answers exactly as the questions are numbered.
6. Begin with the question for which you think you will get the best marks.
7. Note the mark allocations for each question – give enough facts to earn the marks allocated. Don’t waste time by giving more information than required.
8. You are welcome to use diagrams to illustrate your answers.
9. Please write neatly – we cannot mark illegible handwriting.
10. Any student caught cheating will have his or her examination paper and notes confiscated. The College will take disciplinary measures to protect the integrity of these examinations.
11. If there is something wrong with or missing from your exam paper or your answer book, please inform your invigilator immediately. If you do not inform your invigilator about a problem, the College will not be able to rectify it afterwards, and your marks cannot be adjusted to allow for the problem.
12. This paper may be removed from the examination hall after the examination has taken place.

Examiner: K Ngang
(i) **MULTIPLE-CHOICE QUESTIONS**

Choose the correct option for each of the following. Write only the question number and your chosen answer. For instance, if you think that the correct answer for number 1 is (a), then write it as 1. (a).

1. The primary task of management is:
   - (a) leading.
   - (b) controlling.
   - (c) organising.
   - (d) All of the above.

2. Strategic planning is done by:
   - (a) middle-level managers.
   - (b) high-level managers.
   - (c) shop floor managers.
   - (d) employees.

3. Which of the following is NOT a type of business-to-business sales transaction?
   - (a) a new task buy
   - (b) a straight re-buy
   - (c) a first time re-buy
   - (d) a modified re-buy

4. The advantage of centralised purchasing is that:
   - (a) standardisation of materials is possible.
   - (b) departments can react faster to change.
   - (c) there is better supplier contact.
   - (d) efficient use is made of local suppliers.

5. Which of the following characterises organisational buying?
   - (a) small quantities
   - (b) large quantities
   - (c) consumption
   - (d) post-purchase behaviour

6. Which activity is suitable for outsourcing?
   - (a) core activity
   - (b) non-core activity
   - (c) strategic activity
   - (d) non-organisational activity
7. There are _____ types of packaging.
   (a) one  
   (b) four  
   (c) two  
   (d) five

8. Recycling of materials involves:
   (a) re-using them.  
   (b) using them once.  
   (c) dumping them.  
   (d) burning them.

9. The size of the market in organisational buying is:
   (a) undefined.  
   (b) large.  
   (c) diverse.  
   (d) small.

10. From a sales point of view, negotiation does NOT involve:
    (a) price negotiation.  
    (b) sales terms.  
    (c) personal favours.  
    (d) lead times.

(ii) TRUE OR FALSE QUESTIONS

Indicate whether the following statements are True or False. Motivate all your answers.

1. The amount of money in the purchase affects the buying process.
   [5 × 2 = 10]

2. An effective buyer is not able to negotiate with senior managers.

3. 'Take it or leave it' is a negotiating tactic.

4. Operational planning involves long-term planning.

5. The increasing trend of globalisation has caused changes in business environments.
(iii) **MATCHING-STATEMENT QUESTIONS**

Match the statements in Column B to the statements in Column A. Write down the answers only, for example 1. (a).

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. cause of change in business environment</td>
<td>(a) affects the buying process</td>
</tr>
<tr>
<td>2. services</td>
<td>(b) modified rebuy</td>
</tr>
<tr>
<td>3. strategic planning</td>
<td>(c) quality</td>
</tr>
<tr>
<td>4. decentralised purchasing system</td>
<td>(d) must protect the product</td>
</tr>
<tr>
<td>5. supplier evaluation criteria</td>
<td>(e) medium-term plans</td>
</tr>
<tr>
<td>6. tactical planning</td>
<td>(f) rapid growth in service industry</td>
</tr>
<tr>
<td>7. centralised purchasing system</td>
<td>(g) departments can react faster to changes</td>
</tr>
<tr>
<td>8. type of business-to-business sale transaction</td>
<td>(h) intangible</td>
</tr>
<tr>
<td>9. the strategic importance of the product</td>
<td>(i) long-term plans</td>
</tr>
<tr>
<td>10. packaging</td>
<td>(j) materials can be standardised</td>
</tr>
</tbody>
</table>

[10]  

[30]
SECTION B: SHORT QUESTIONS (10 MARKS)

ANSWER ALL THE QUESTIONS

QUESTION 1
Define the term purchasing. [2]

QUESTION 2
Identify any three characteristics of services. [3]

QUESTION 3
(a) Differentiate between raw materials and supplementary materials. (2)
(b) Explain sub-contracting. (3) [5]
SECTION C: LONG ANSWER QUESTIONS  

(40 MARKS)

ANSWER ALL THE QUESTIONS

QUESTION 1

Describe five advantages of each of the following:

(a) centralised purchasing  (5)

(b) decentralised purchasing  (5)  [10]

QUESTION 2

Explain the steps in the performance appraisal process.  [10]

QUESTION 3

(a) i. Briefly discuss strategic sourcing.  (4)

    ii. Briefly explain the types of business-to-business sales transactions.  (6)

(b) Outline and briefly explain the various negotiating tactics.  (10)  [20]

[40]
SECTION D: INTERPRETATIVE QUESTIONS

(20 MARKS)

ANSWER ONE OF THE QUESTIONS

QUESTION 1
Describe five characteristics of each of the following in relation to purchasing:
(a) consumer behaviour
   (5 x 2 = 10)
(b) organisational behaviour
   (5 x 2 = 10) [20]

OR

QUESTION 2
Explain ten criteria used to evaluate suppliers.
[10 x 2 = 20]

OR

QUESTION 3
(a) Explain eight variables that affect the buying process.
   (8 x 2 = 16)
(b) List the abilities of an effective buyer.
   (4) [20]

Section A: 30 marks
Section B: 10 marks
Section C: 40 marks
Section D: 20 marks
TOTAL: 100 MARKS