Scott Christian UNIVERSITY
A Dynamic Centre of Academic Excellence

DIPLOMA IN BUSINESS ADMINISTRATION

END OF SEMESTER EXAMINATION

UNIT CODE: DBA 034:

UNIT NAME: PRINCIPLES OF PROCUREMENT

JAN – APRIL 2026: END OF SEMESTER EXAM.

LECTURER: BELINDA NZWII TIME: 2 HRS: TOTAL MARKS 60%

Instructions: Answer Question ONE (Compulsory) and any other TWO questions.

SECTION A
QUESTION ONE.

a) What is the difference between procurement and purchasing? **{4 marks}**
b) Briefly discuss five ways poor procurement practices impact organizations. **{10 marks}**
c) Outline five risks of poor supplier management. **{5 marks}**
d) Highlight and explain three ethical principles guiding procurement. **{6 marks}**
e) State five challenges faced in public procurement in Kenya. **{5 marks}**

SECTION B
QUESTION TWO.

As a procurement officer for a county government in Kenya, you are tasked with conducting a training session for new departmental heads on the foundational principles of Procurement.

a) Define Public Procurement and Asset Disposal Act (PPADA) and state its function. **{3 marks}**
b) Briefly explain four objectives of Procurement in Kenya. For each objective, provide a clear explanation of its meaning and purpose within the public procurement system. **{8 marks}**
c) For each objective explained in part (a), provide one specific example of how a procuring entity can practically implement or achieve this objective in its day-to-day procurement activities. **{4 marks}**

QUESTION THREE

The National Treasury has issued a directive requiring all public entities to migrate their procurement processes to the integrated financial management information system (IFMIS) or other approved e-procurement platforms.

You are the procurement officer at a State Corporation that has just received this directive. The Chief Executive Officer (CEO) is skeptical about this new system.

As the procurement expert, the CEO has requested you to write a concise briefing memo to convince her of the value of this transition.

a) Discuss five key benefits that the State Corporation will gain by fully implementing an e-procurement system. For each benefit, provide a clear explanation of how it positively impacts the organization's operations and objectives. **(10 marks)**
b) Identify and explain five key challenges that the State Corporation is likely to face when implementing the e-procurement system. For each challenge, provide a clear explanation of its nature and how it specifically hinders the success of e-procurement. **(5 marks)**

QUESTION FOUR.

Supplier selection is a critical strategic decision that directly impacts an organization's operational efficiency, reputation and ability to serve the public. You are a procurement officer at a newly established manufacturing company. The company requires to contract for the supply of office stationery and computer consumables for the next two years. Several suppliers have expressed interest and have been invited to submit their bids. The evaluation committee is now preparing to assess the bids and select the most suitable supplier.

a) As the lead procurement officer, you must brief the evaluation committee on the key factors to consider beyond just the price. Briefly explain five essential criteria that should be used to evaluate and select the appropriate supplier. **(10 marks)**
b) For each criterion explained in part (a), describe one specific document, evidence, or verification method the committee should request or use to assess that criterion effectively. **(5 marks)**

QUESTION FIVE

The procurement function is operating in an increasingly volatile, uncertain, complex, and ambiguous (VUCA) world. Strategic procurement professionals must not only understand the benefits of change but also anticipate and prepare for the obstacles that lie ahead. You are a procurement manager at a large manufacturing company in Kenya that relies heavily on imported raw materials and advanced machinery from Europe and Asia. The company has been profitable for years, but the Board of Directors is concerned about the future. The Board has requested that the procurement department conduct a forward-looking risk assessment and present its findings at the next strategic planning retreat.

a) As the procurement manager, prepare a briefing note for the Board of Directors in which you identify and explain five major future challenges that are likely to affect procurement operations and supply chains in the coming years. For each challenge, provide a clear explanation of what it entails and how it could impact the company's procurement activities. **(10 marks)**

b) For each challenge identified in part (a), propose one practical, strategic recommendation that the company can implement now to mitigate or prepare for that future challenge. **(5 marks)**