



ICM

MARCH 2016

PURCHASING MANAGEMENT

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
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1. Purchasing overseas is now part of the normal business practice for all large organisations. Explain the difficulties that a purchasing manager may encounter when buying overseas. [20]
 2. Set out and explain the phases involved in traditional purchasing procedures. [20]
 3. Analyse the main costs that an organisation will incur in both obtaining and holding stock. [20]
 4. Evaluate the contribution of wholesalers to purchasing management. [20]
 5. Evaluate the concept of total quality management and assess its contribution to purchasing management. [20]
 6. Explain the terms **stock purchasing** and **just-in-time** as approaches to purchasing materials. [20]
 7. Evaluate the factors that will be taken into account in deciding on the location of a stockyard. [20]
 8. Analyse the content of a typical purchasing manual and explain the advantages and disadvantages typically associated with these manuals. [20]