



ICM

MARCH 2016

PURCHASING STRATEGIES

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. Explain the concept of reverse marketing and evaluate its contribution to an organisation. [20]
 2. Organisations have a number of strategies at their disposal when facing a monopoly supplier. Explain:
 - a) how a company could identify the extent to which it was facing a monopoly [10]
 - b) the action that a company could take to lessen the problems faced when buying from a monopoly supplier [10]
 3. Review the benefits and approach to undertaking a vulnerability analysis. [20]
 4. Critically evaluate the benefits of pursuing a strategy of partnership sourcing. [20]
 5. Compare and contrast the approaches of single sourcing and multiple sourcing when obtaining goods and services. [20]
 6. Explain how a company can evaluate the effectiveness of its purchasing function. [20]
 7. Buyers will often adopt a strategy of trying to condition sellers. Explain how they might seek to do this. [20]
 8. Evaluate the contribution of key account management to a company from the perspective of buying and selling goods. [20]