



ICM

MARCH 2017

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. Centralised purchasing, as an approach, has many supporters. However, it also has its critics. Analyse the commonly recognised advantages and disadvantages of centralised purchasing as an approach. [20]
 2. Explain what the **supplier assessment and appraisal process** is and evaluate its contribution to purchasing management. [20]
 3. Obtaining and holding stock involves significant cost to an organisation. Explain the main costs to an organisation in obtaining and holding stock. [20]
 4. Buying abroad as an approach carries many benefits and risks. Explain the main advantages and disadvantages of overseas purchasing as a buying strategy. [20]
 5. Analyse EACH of the phases involved in the traditional purchasing cycle. [20]
 6. Leasing as a purchasing approach offers many attractions. Review the advantages and disadvantages that a company is likely to encounter when adopting a policy of leasing equipment. [20]
 7. Organisational purchasing needs to be based on sound research. Review the main areas of research that an organisation will typically focus on. [20]
 8. The purchasing manager will wish to ensure that there are effective arrangements in place for the inspection of incoming goods. Explain the methods of inspection that will be available to a purchasing manager. [20]