

LAIKIPIA



UNIVERSITY

# UNIVERSITY EXAMINATIONS

1<sup>ST</sup> SEMESTER 2023/2024 ACADEMIC YEAR

SECOND YEAR EXAMINATION FOR DIPLOMA IN  
PROCUREMENT AND LOGISTICS

**DPLM 0223: INTERNATIONAL PROCUREMENT**

***STREAM: R***

***TIME: 2 HRS***

***DAY: TUESDAY [2.30-4.30 P.M]***

***DATE: 16/04/2024***

**THIS QUESTION PAPER CONSISTS OF TWO (2) PAGES**

**PLEASE DO NOT OPEN UNTIL THE INVIGILATOR SAYS SO.**



## INSTRUCTIONS

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Answer question ONE and any other TWO questions

### QUESTION ONE

- a) According to R. Jerry Baker, “Boundaries are shrinking and disappearing, and what’s becoming apparent is that global purchasing and local purchasing are flowing, blending and converging into one stream”. In view of this statement, examine the differences between local and international Purchasing **(10mks)**
- b) Explain the organizational motives (reasons) of buying from overseas than from local suppliers **(10mks)**
- c) Examine how the elements of freight costs can be minimized in overseas purchasing **(10mks)**

### QUESTION TWO

- a) Examine the drivers of globalization and standardization in global sourcing **(10mks)**
- b) Discuss the methods of payment that can be used in International purchasing **(10mks)**

### QUESTION THREE

- a) Critically examine the benefits that accrue to a firm that engages in international purchasing **(10mks)**
- b) Identify the potential risks in international purchasing and explain how they can be minimized **(10mks)**

### QUESTION FOUR

- a) Explain the options in organizing for global sourcing activities that can be adopted by a firm **(10mks)**
- b) While describing the format of “Incoterms”, discuss their advantages in international purchasing **(10mks)**

