



PAN AFRICA CHRISTIAN UNIVERSITY

SCHOOL OF LEADERSHIP, BUSINESS AND TECHNOLOGY

END OF SEMESTER EXAMINATION FOR DIPLOMA IN

PROCUREMENT & SUPPLY CHAIN MANAGEMENT

JANUARY – APRIL 2019 SEMESTER

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: DSM104

COURSE TITLE: LEGAL ISSUES IN PURCHASING

EXAM DATE: THURSDAY 11TH APRIL 2019

TIME: 5.30PM-8.30PM

INSTRUCTIONS

- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.
- This examination script consists of **Six (6)** questions.
- Answer question **ONE** and ANY other **four** Questions.
- *Write clearly and legibly.*
- *ALL PAC University's examination rules and regulations apply*

QUESTION ONE: COMPULSORY

- a) Explain the meaning of:
 - i. Contracts (1 Mark)
 - ii. The Sale of Goods Act (1 Mark)
 - iii. Ethics (1 Mark)
 - iv. Request for Quotation (1 Mark)
- b) Outline FIVE key documents involved in the procurement process. (5Marks)
- c) Highlight SIX major activities undertaken under the purchasing role. (6Marks)
- d) Briefly explain the FIVE basic remedies for breach of contract. (5 Marks)
- e) Whatever your line of business, how you acquire goods and services is a make-or-break factor for success. Discuss FIVE best practices for buying goods and services. (10Marks)
- f) Explain FIVE causes for termination of a contract. (10Marks)

QUESTION TWO

- a) Describe FIVE key differences between purchase orders and contracts. (5Marks)
- b) Discuss FIVE essentials of a valid contract. (10Marks)

QUESTION THREE

- a) Outline FIVE reasons why ethics are important for purchasing professionals. (5Marks)
- b) Discuss FIVE different types of unethical behavior in the organization in relation to purchasing. (10Marks)

QUESTION FOUR

- a) Understanding the impact of poor contract administration on your organization can justify the investment in comprehensive contract management services. Outline six impacts of poor contract administration (6Marks)
- b) Describe the nine main steps in the contract management process. (9Marks)

QUESTION FIVE

Discuss the functions of the following bodies involved in the regulation of Public Procurement and Asset Disposal:

- a) National Treasury (5Marks)
- b) Public Procurement Regulatory Authority (PPRA) (5Marks)
- c) Public Procurement Regulatory Board (PPRB) (5Marks)

QUESTION SIX

- a) In reference to the Sale of Goods Act, outline FIVE rules of delivery. (5 Marks)

- b) NEMO DAT QUOD NON HABET: a person cannot give that which he doesn't have, is a common law maxim that applies to sale of goods. Explain FIVE exceptions of this rule as provided by the Sale of Goods Act. **(10Marks)**