



**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **LSC3704 International Procurement Management**  
Semester & Year : May – August 2022  
Lecturer/Examiner : Wan Ahmad Asrar Nik @ Wan Yahya  
Duration : 3 Hours

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**INSTRUCTIONS TO CANDIDATES**

1. This question paper consists of 2 parts:  
  
PART A (60 marks) : FOUR (4) short answer questions. Answers are to be written in the Answer Booklet provided.  
PART B (40 marks) : TWO (2) essay questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple-choice questions, where 2B pencils are to be used.

**WARNING:** The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students’ Handbook, up to and including expulsion from BERJAYA University College.

**Total Number of pages = 4 (Including the cover page)**

**PART A**  
**INSTRUCTION (S)**

**: SHORT ANSWER QUESTIONS (60 MARKS)**

: Answer all **FOUR (4)** short answer questions.

Write your answers in the Answer Booklet (s) provided.

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**Question 1**

Procurement exists to explore supply market opportunities and to implement resourcing strategies that deliver the best possible supply outcome to the organization.

- a. Define procurement. (1 mark)
- b. Describe the followings:
  - i. **FOUR (4)** sourcing policies a factory can use to obtain resources from supply market. (8 marks)
  - ii. **THREE (3)** types of organizational buyers. (6 marks)

[Total: 15 marks]

**Question 2**

Relationships apply when buyers and sellers interact, and the relationships begin with the concept of business transaction in the supply chain.

- a. Describe **FOUR (4)** determinants of supply chain relationship. (8 marks)
- b. Explain backward integration strategy. (5 marks)
- c. State **TWO (2)** characteristics of relationship procurement. (2 marks)

[Total: 15 marks]

**Question 3**

Value management (VM) is a style of management aimed at instilling a culture of best value throughout an organization.

- a. Define value. (1 mark)
- b. Explain value analysis. (5 marks)
- c. Describe **THREE (3)** aspects of product value that can be improved. (6 marks)
- d. State **THREE (3)** characteristics a value analysis engineer should have. (3 marks)

[Total: 15 marks]

**Question 4**

Cost analysis is far more demanding activity than price analysis because it requires the buying organization to have the resources and expertise to analyze all costs, and to effectively challenge areas where it is believed the costs are inappropriate.

- a. Define price analysis. (1 mark)
- b. Explain how tendered prices are compared. (5 marks)
- c. Describe **THREE (3)** aspects of supplier cost that need to be analyzed. (6 marks)
- d. Provide **THREE (3)** relevant examples of cost breakdowns for employee costs. (3 marks)

[Total: 15 marks]

END OF PART A

**PART B**  
**INSTRUCTION (S)**

**: ESSAY QUESTIONS (40 MARKS)**

: Answer all **TWO (2)** essay questions.

Write your answers in the Answer Booklet (s) provided.

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**Question 1**

Companies today can choose whether to make or buy products. They often outsource information technology services, including programming and application development, as well as technical support, manufacturing processes, human resources tasks and financial functions.

- a. Develop a decision tree to show decision process for make or buy. (10 marks)
- b. Evaluate **FIVE (5)** benefits companies can get from outsourcing. (10 marks)

[Total: 20 marks]

**Question 2**

Negotiation is a skill required by all procurement specialists. Hence negotiations are involving social and business practices in determining terms and conditions, and resolving conflict between buyers and sellers.

- a. Demonstrate how the buyer uses **FIVE (5)** ploys during the bargaining stage in a negotiation with the supplier. (10 marks)
- b. If the buyer bargains over the price in a negotiation, examine **FIVE (5)** price issues involved. (10 marks)

[Total: 20 marks]

END OF EXAM PAPER