

**BALLARI INSTITUTE OF TECHNOLOGY & MANAGEMENT**

(Autonomous Institute under Visvesvaraya Technological University, Belagavi)

USN Course Code 

Third Semester MBA Degree Examinations, April 2023

**PURCHASING AND STRATEGIC SOURCING**

Duration: 3 hrs

Max. Marks: 100

- Note:* 1. Answer any FOUR full questions from Question No. 1 to 7.  
2. Question No. 8 is compulsory  
3. Missing data, if any, may be suitably assumed

<u>Q. No</u>	<u>Question</u>	<u>Marks</u>	<u>(RBTL:CO:PO)</u>
1.	a. How is purchasing useful in Supply Chain Management.	03	(1 : 1 : 1)
	b. What is the difference between purchasing and supply management?	07	(2 : 1 : 1)
	c. What required knowledge and skills do you feel are applicable for a purchasing professional.	10	(2 : 1 : 1)
2.	a. Analyze the usefulness of E- reverse auction.	03	(1 : 2 : 2)
	b. Analyze the supply management strategies.	07	(2 : 2 : 2)
	c. Analyze critical role of cross functional sourcing teams.	10	(2 : 2 : 2)
3.	a. Evaluate the need for supplier's selection.	03	(2 : 3 : 2)
	b. How do you Manage sourcing explain with its strategies?	07	(2 : 3 : 2)
	c. Explain the methods to identify potential supply sources.	10	(2 : 3 : 2)
4.	a. Discuss the importance of negotiation in purchasing process.	03	(3 : 4 : 3)
	b. Design the process of negotiation planning in purchasing process.	07	(4 : 4 : 3)
	c. Evaluate varied negotiation tactics used in purchasing process.	10	(4 : 4 : 3)
5.	a. Elaborate the need of contract.	03	(2 : 5 : 3)
	b. Compile different types of contracts.	07	(2 : 5 : 3)
	c. Discuss the steps to prepare contract agreement.	10	(2 : 5 : 3)
6.	a. Identify the types of purchasing with its application.	03	(2 : 1 : 2)
	b. Write different types of purchases with examples.	07	(2 : 1 : 2)
	c. Apply the purchasing policies and procedures in business.	10	(2 : 1 : 2)
7.	a. What is the need and use of external integration?	03	(2 : 2 : 3)
	b. Evaluate the types of supply management strategies in business.	07	(3 : 2 : 3)
	c. Compare different types of non-traditional contracts.	10	(2 : 2 : 3)

**Note: (RBTL - Revised Bloom's Taxonomy Level: CO - Course Outcome: PO- Programme Outcome)**

8.

**Case Study**

Ben Gibson, the purchasing manager at Coastal Products, was reviewing purchasing expenditures for packaging materials with Jeff Joyner. Ben was particularly disturbed about the amount spent on corrugated boxes purchased from South-eastern Corrugated. Ben said, “I don’t like the salesman from that company. He comes around here acting like he owns the place. He loves to tell us about his fancy car, house, and vacations. It seems to me he must be making too much money off of us!” Jeff responded that he heard South-eastern Corrugated was going to ask for a price increase to cover the rising costs of raw material paper stock. Jeff further stated that South-eastern would probably ask for more than what was justified simply from rising paper stock costs. After the meeting, Ben decided he had heard enough. After all, he prided himself on being a results-oriented manager. There was no way he was going to allow that salesman to keep taking advantage of Coastal Products. Ben called Jeff and told him it was time to rebid the corrugated contract before South-eastern came in with a price increase request. Who did Jeff know that might be interested in the business? Jeff replied he had several companies in mind to include in the bidding process. These companies would surely come in at a lower price, partly because they used lower grade boxes that would probably work well enough in Coastal Products’ process. Jeff also explained that these suppliers were not serious contenders for the business. Their purpose was to create competition with the bids. Ben told Jeff to make sure that South-eastern was well aware that these new suppliers were bidding on the contract. He also said to make sure the suppliers knew that price was going to be the determining factor in this quote, because he considered corrugated boxes to be a standard industry item.

- a. Is Ben Gibson acting legally? Is he acting ethically? Why or why not? Try and Analyze. **10** (2 :1 : 2)
- b. As the Marketing Manager for South-eastern Corrugated what would you evaluate upon receiving the request for quotation from Coastal Products? **10** (3 :1 : 2)

\*\* \*\* \*