KISM AND KASNEB

CERTIFIED PROCUREMENT AND SUPPLY PROFESSIONAL (CPSP)

PART I

ORGANISATIONAL ENVIRONMENT

FRIDAY: 20 November 2015. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

(a) Define the term "Organisational Environment". (2marks)

(b) Using relevant examples, explain any TWO reasons why a procurement manager needs to understand the environment the organisation is operating in. (4 marks)

(c) Using relevant examples, explain any THREE benefits an organisation stands to gain when it creates good relationships with its stakeholders. (6 marks)

(d) Discuss any FOUR forces that affect the nature of organisations. (8 marks)

(Total: 20 marks)

SECTION B

QUESTION TWO

(a) Outline the various factors to consider while deciding on the form of business organisation to venture into. (4 marks)

(b) Using relevant examples, differentiate between "perfect competition" and "imperfect competition". (4 marks)

(c) "Information Technology is dramatically changing the business landscape".

In relation to the above statement:

(i) Argue the case in support of adopting information technology in business. (6 marks)

(ii) Outline the implications for procurement when an organisation adopts information technology. (6 marks)

(Total: 20 marks)

QUESTION THREE

Using a hypothetical organisation, discuss how Michael Porter's five forces model could be used to analyse an organisation's supply chain environment. **(Total: 20 marks)**

SECTION C

QUESTION FOUR

Read the case study below and answer the questions that follow.

NORTH COUNTY

North County has featured in the national spotlight for consideration for rapid development. The county has a development plan spanning 2014-2018, which was developed through stakeholder involvement to align the county to the Vision 2030 and the Constitution of Kenya 2010.

A comprehensive report by consultants on the opportunities in the development plan has attracted the attention of World Bank, who are ready to fund development projects in the county to the tune of shillings 40 billion for the next 5 years.

Areas targeted for upgrading in the development plan include:

- Roads to address the difficult terrain and adverse weather conditions.

- Housing to address rapid population growth in the county's urban centres, and support devolved government functions.
- Electricity connectivity.
- Health and education facilities.
- Agriculture, which is a mainstay and critical production sector for the county.

There are a total of 310 projects earmarked for the county.

Additional data for the county:

1. 171km tarmac road viz-a-viz 1,133km of classified roads nationally.
2. Literacy levels 71%; national average 79%.
3. Labour force 56% of population (unskilled).
4. Insufficient food storage at only 30% of production.
5. 60% of suppliers of goods, services and works comes from outside the county.

Required:

(a) Propose an ideal organisation structure for procurement within the county that would effectively implement the projects. (10 marks)

(b) Assess the skills set required by procurement staff to effectively participate in joint development planning and interactions with major stakeholders in the county. (10 marks)

(c) Using an appropriate environmental analysis tool, evaluate factors that are likely to affect procurement decisions within the county. (10 marks)

(d) Evaluate FIVE difficulties that would be encountered in measuring the contribution of the procurement function in such a context. (10 marks)

(Total: 40 marks)

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PART I

ORGANISATIONAL ENVIRONMENT

MONDAY: 23 May 2016. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

(a) Explain the term "task environment". (2 marks)

(b) Discuss FOUR models of organisational behaviour. (8 marks)

(c) Environmental uncertainty is lack of complete information regarding what exists and what developments may occur in the external environment.

Citing relevant examples, explain TWO dimensions of environmental uncertainty. (4 marks)

(d) Explain THREE factors that influence organisational behaviour. (6 marks)

(Total: 20 marks)

SECTION B

QUESTION TWO

(a) (i) Explain the term "Globalisation". (2 marks)

(ii) Evaluate the opportunities and challenges attributed to hosting a World Trade Organisation (WTO) summit in Kenya. (10 marks)

(b) ABC Company Limited intends to carry out stakeholder analysis exercise.

Explain THREE tools that could be used to conduct this exercise. (6 marks)

(c) Highlight TWO areas upon which internal service providers in an organisation should focus on. (2 marks)

(Total: 20 marks)

QUESTION THREE

(a) Organisations do not exist in isolation. They are part of the wider society and therefore are influenced by it, and in turn influence the environment.

Using PEST, explain how factors in the external environment affect an organisation. (10 marks)

(b) Using an organisation of your choice, evaluate the interests of THREE internal stakeholders and TWO external stakeholders. (10 marks)

(Total: 20 marks)

SECTION C

QUESTION FOUR
Read the excerpt below and answer the questions that follow:

STUDENT SHYLOCK BUSINESS

As a student in supply chain management, you have decided to get some practical experience of the business world by running a small venture with a number of colleagues which you hope will also earn enough income to support you during your time in college. Your idea involves printing and selling customised T-shirts throughout the institution and possibly to the wider market.

Required:

(a) Discuss FIVE elements of organisational structure which you need to consider when running the venture. (10 marks)

(b) Explain FIVE methods of getting customer feedback on your products. (10 marks)

(c) Discuss THREE forces that could be employed by your management to re-structure your organisation. (6 marks)

(d) "In a dynamic environment, it is disadvantageous for your organisation to remain static".

Justify this statement. (4 marks)

(e) Your management is concerned with the behaviour of every employee in the organisation.

Evaluate THREE basic approaches of organisational behaviour that could be employed by your management. (6 marks)

(f) Explain TWO elements of SWOT analysis as an environmental analysis tool. (4 marks)

(Total: 40 marks)

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CERTIFIED PROCUREMENT AND SUPPLY PROFESSIONAL (CPSP)

PART I

ORGANISATIONAL ENVIRONMENT

MONDAY: 21 November 2016. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

(a) Explain the term "internal environment" and give its components. (5 marks)

(b) (i) Define the term "consortium buying". (2 marks)

(ii) Outline THREE advantages and THREE disadvantages of consortium buying. (6 marks)

(c) Outline SEVEN components of an "early warning system" that can enable an organisation to analyse emerging issues within an industry. (7 marks)

(Total: 20 marks)

SECTION B

QUESTION TWO

Giving examples, discuss FIVE ways of classifying organisations within an industry. **(20 marks)**

QUESTION THREE

(a) Use examples to distinguish between "imperfect competition" and "perfect competition". (4 marks)

(b) List the factors to consider when deciding on the type of business to start. (4 marks)

(c) Discuss the relevance of "SIX M's" theory in human resource management. (12 marks)

(Total: 20 marks)

SECTION C

QUESTION FOUR

Read the excerpt below and answer the questions that follow:

Kusini was, until a recent fire accident an exclusive shopping mall. John a renowned businessman, lost his boutique business and all records in the inferno. In his business recovery process, he engaged a consultant for an opinion. With advise from the consultant, John abandoned the boutique business and started a new business in metallic furniture, using the little capital that he had, a bank loan and equity from new directors.

Required:

(a) Illustrate FIVE ways through which John could understand his stakeholders needs for effective and efficient service delivery. (10 marks)

(b) Identify the stakeholders in John's new business and explain the need of each stakeholder. (10 marks)

(c) Evaluate FIVE factors that may have influenced John's decision to switch from boutique business to metallic furniture business. (10 marks)

(d) With examples, describe the environmental analysis tools which John could use to assess the progress of business. (10 marks)

(Total: 40 marks)

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CERTIFIED PROCUREMENT AND SUPPLY PROFESSIONAL (CPSP)

PART I

ORGANISATIONAL ENVIRONMENT

MONDAY: 27 November 2017. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

(a) Distinguish between "organisational environment" and "organisational behaviour". (4 marks)

(b) Explain the responsibilities of the following procurement personnel:

(i) Procurement manager. (2 marks)

(ii) Contract manager. (2 marks)

(iii) Procurement analyst. (2 marks)

(c) A monopoly market structure is a situation where no competition exists.

Discuss FIVE sources of monopoly power in an imperfect market. (10 marks)

(Total: 20 marks)

SECTION B

QUESTION TWO

(a) The ability of an organisation to produce goods and services that its customers want is a product of the behaviour of all its members.

Discuss how you would manage the human resources to gain a competitive advantage. (10 marks)

(b) Demonstrate your understanding of the following models in structuring procurement operations:

(i) Devolved structures. (3 marks)

(ii) Centralised structures. (3 marks)

(iii) Explain TWO ways through which organisational culture can be inducted to new employees. (4 marks)

(Total: 20 marks)

QUESTION THREE

(a) Explain FIVE challenges that may arise in procurement as a shared service provider. (10 marks)

(b) Michael Porter developed a five forces model regarding competition in an industry.

With the aid of a diagram, discuss the FIVE threats faced by businesses. (10 marks)

(Total: 20 marks)

SECTION C

QUESTION FOUR

Case study

Mama Grace opened a grocery shop in the year 2000 in Thika County to sell fruits and vegetables. She bought the produce from local farmers and sold it directly to her customers. Initially she owned and financed the business. In year 2005, she approached two of her women group members for funding to expand her business and incorporated them as partners.

Today, the business has evolved from the sole proprietorship/partnership to a big food processing limited company. The company has employed about fifty people and expanded its market in terms of product range and its geographical reach.

Last year, Mama Grace underwent training in various institutions on procurement and supply chain management. She is now more knowledgeable about sourcing strategies and marketing of products from her factory.

Required:

(a) Discuss the disadvantages of carrying on the business as a partnership as opposed to a limited liability company. (10 marks)

(b) Identify FIVE challenges that are likely to face the above business due to its recent growth from a green grocer shop to a food processing company. (10 marks)

(c) Discuss the contributions of the above business to the growth of Thika County. (10 marks)

(d) Outline FIVE legal factors that Mama Grace should consider for her business continuity. (10 marks)

(Total: 40 marks)

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CERTIFIED PROCUREMENT AND SUPPLY PROFESSIONAL (CPSP)

PART I

ORGANISATIONAL ENVIRONMENT

PILOT PAPER

September 2015. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

(a) Outline TWO fundamental differences between procurement processes in a private sector organisation and procurement processes in a public sector organisation. (2 marks)

(b) Highlight the MAIN forces in an organisational general and task environment. (4 marks)

(c) (i) Describe the autocratic model of organisational behavior. (2 marks)

(ii) Describe the collegial model of organisational behavior. (2 marks)

(iii) Which of the above models best supports procurement processes? Explain. (4 marks)

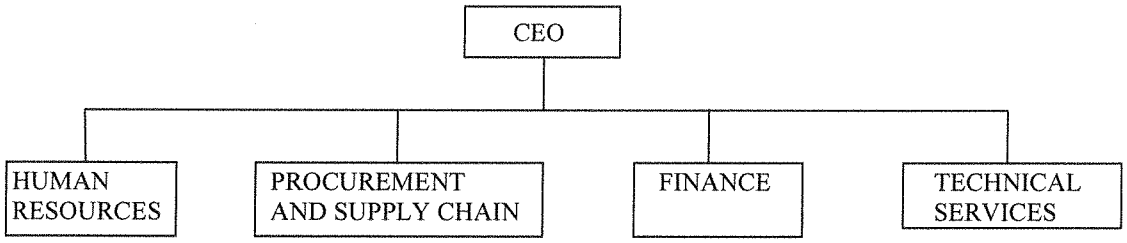
(d) Explain TWO emerging challenges in organisational environment and show how an organisation can cope with such trends. (6 marks)

(Total: 20 marks)

SECTION B

QUESTION TWO

(a) Explain FIVE reasons for recommending the management structure below to a business organisation. (10 marks)



(b) Five friends pooled their resources to start a business.

(i) Explain THREE benefits that could accrue from this decision. (6 marks)

(ii) Explain TWO challenges they would face. (4 marks)

(Total: 20 marks)

QUESTION THREE

(a) Identify ONE organisational environment theory and evaluate its application in the management of a purchasing and supply chain function. (10 marks)

(b) Discuss how internal and external organisational environment analysis can be used to support decision making in a procurement and supply chain department. (10 marks)

(Total: 20 marks)

SECTION C

QUESTION FOUR

(a) Read the case study below and answer the questions that follow:

MKAZO LTD.

Mkazo Ltd. is an ICT company which has been operating in Nairobi for the last 10 years. It started off with a workforce of 10 owners/employees who chose to come together to provide ICT services. The main business of the organisation is installation of ICT infrastructure and maintenance of ICT equipment. The company operates a borderless structure of information sharing among its employees and clients. Over the years the company has grown tremendously in terms of capital invested and returns on investment. The company has over 100 employees from diverse backgrounds.

The main challenges facing the organisation include the ever increasing cost of inputs, scarcity of materials, counterfeit products entering the supply chain among others. The Communication Authority which regulates the sector is reigning in the operators and service providers in the industry through new regulation, which require the companies to have clear compliance policies.

Mkazo Ltd. has engaged a consultant to help the company to come up with a plan of action for the next three years.

Required:

(a) Discuss TWO tools that Mkazo Ltd. could use to evaluate its position in the market. (10 marks)

(b) Suggest ways through which Mkazo Ltd. could cope with supply chain challenges in the dynamic business environment. (10 marks)

(c) Discuss how Mkazo Ltd. could use the existing resources to enhance its competitiveness in the market place. (10 marks)

(d) Advise Mkazo Ltd. on the need of having an organisational plan in the next three years. (10 marks)

(Total: 40 marks)

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