

The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

DIPLOMA UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DIPLOMA IN SUPPLY CHAIN MANAGEMENT

DSM 104: PUBLIC AND INTERNATIONAL PROCUREMENT

DATE: 9TH APRIL 2026

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow

GLOBAL TECH LTD PROCUREMENT CHALLENGE

Global Tech Ltd, a mid-sized electronics firm based in Kenya, has traditionally sourced its components locally. However, due to frequent stockouts, inconsistent quality, and rising costs, the company has decided to explore international procurement. The procurement manager, Mr. Kamau, has shortlisted a supplier from Malaysia offering high-quality components at competitive prices.

Despite the benefits, Mr. Kamau is concerned about several issues: longer lead times, currency exchange risks, unfamiliar legal systems, and the need to comply with international documentation such as bills of lading, inspection certificates, and letters of credit. There is also pressure from management to ensure smooth communication, timely delivery, and ethical compliance, especially concerning child labour and environmental standards in the supplier's region.

Mr. Kamau needs to develop a global sourcing strategy that aligns with the company's objectives and mitigates potential challenges.

Required:

- a) Explain three advantages and three challenges Global Tech Ltd is likely to face when transitioning from local to international procurement. **(10 Marks)**
- b) Identify and explain four critical components Mr. Kamau must include in the global sourcing strategy to ensure successful international procurement. **(10 Marks)**
- c) Describe how Incoterms can help Global Tech Ltd manage risks and clarify responsibilities in international transactions. Provide two examples. **(10 Marks)**

QUESTION TWO

- a) Evaluate challenges faced when sourcing internationally. (5 Marks)
- b) Analyze key elements for successful international sourcing. (5 Marks)

QUESTION THREE

- a) Examine cultural issues affecting international procurement. (5 Marks)
- b) Outline five common shipping documents in global sourcing. (5 Marks)

QUESTION FOUR

- a) Explain the key contents of a letter of credit? (5 Marks)
- b) Discuss how INCOTERMS facilitate global procurement. (5 Marks)

QUESTION FIVE

- a) Identify and explain three types of counter-trade. (3 Marks)
- b) Name five sources of information about overseas suppliers. (5 Marks)
- c) Differentiate between global sourcing and international Procurement (2 Marks)

QUESTION SIX

- a) Discuss when negotiation should be used in procurement (5 Marks)

- b) Explain how currency fluctuation risks can be managed (5 Marks)