



The Chartered  
Institute of Logistics  
and Transport

The  
Management  
University  
of Africa



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**CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT (CILT)**  
**EXAMINATIONS**

**PROFESSIONAL CERTIFICATE IN LOGISTICS AND TRANSPORT**

**CERT 04:     PROCUREMENT**

**DATE:        16<sup>TH</sup> DECEMBER 2024**

**DURATION:   3 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 **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 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:**

**Sourcing Internationally**

There are benefits of sourcing locally or within your region. Speed of deliver is one issue. As one conferencing and training organization informed us, we know local suppliers can deal with issues much quicker. We are pleased with our current suppliers and for our needs, it makes sense to work with local suppliers as its their travel costs which keep the rates down. A number of our respondents did purchase from overseas. Countries that SMEs sourced from included China, Japan, Australia as well as the rest of Europe and North America. Our research unearthed a number of reasons why SMEs in the South West sourced items from further afield.

In some cases, the very nature of the business necessitated buying from overseas. A food importer explained how they have little other choice. We source the majority of our products from abroad because we are in the Mediterranean food business and the ingredients are not found in the UK! Although we make it here - it's native to the Mediterranean. We try and keep it within Europe because it's easier - the hoops we have to jump through to buy from USA and Australia, are very time intensive so it costs us more by the time we have made the import so we keep to Europe." Their contacts tended to approach them or meet through some of the international shows. It was a similar story with one drinks manufacturer. "We source the majority of ingredients from abroad because mangos, ginger and lemons which make the majority of our juice contents do not grow here as it is simply not hot enough!"

For some respondents, the goods were available in the UK but they were imported for other reasons. One manufacturer to the water industry explained "Over 50% of our products comes from abroad - from France and Germany - and its just not available in UK for the quality which we require." This was mirrored by one automotive parts seller. "The reason why we buy from our supplier in Europe is quality. They are not the cheapest nor the most expensive. They are always good, they always work. Quality has

a future.” One water industry equipment supplier pointed to macro-economic factors as being important in deciding the source of their purchases. “We do review our sourcing strategy from time to time when steel prices and the currency rates rise dramatically – as its difficult to be competitive in our market when the currency rate goes against us, especially as we are purchasing from abroad. But as we are tied in to buying from our parent company abroad, this is largely unavoidable. We can buy from another subsidiary in another part of Europe, but there is little we can do about the rising steel prices

**Required:**

- a) What circumstances led to international sourcing in the case study?  
(12 marks)
- b) Identify the drivers that caused international sourcing (5 marks)
- c) Depict the challenges being encountered in the case study on sourcing from the international market (8 marks)

**QUESTION TWO**

- a) Discuss the dimensions of Corporate Social Responsibility (CSR) on policies (10 marks)
- b) State any five steps you can undertake in line with Improvement Initiatives as a procurement staff (5 marks)

**QUESTION THREE**

- a) The first key step for Continuous Improvement is benchmarking. Itemize the key steps that are supposed to be followed (10 marks)
- b) State five reasons why procuring standardized products is preferred as opposed to procuring through design specification (5 marks)

#### QUESTION FOUR

- a) Summarize the Key Performance Indicators in line with objectives that are defined and performance criteria (10 marks)
- b) Why is Post -Tender Negotiation relevant? (5 marks)

#### QUESTION FIVE

Single sourcing is a strategy in business which is adopted when there is one suitable supplier, and a detailed analysis of the supplier's suitability is required.

- a) Mention factors that are considered in such a case (7 marks)
- b) Justify the need for competitive Bidding (5 marks)
- c) Differentiate between Dual Sourcing and Global sourcing (3 marks)

#### QUESTION SIX

- a) Explain how you can apply SWOT in Sourcing Supply Market Analysis (10 marks)
- b) Determine any five Key performance indicators that are Qualitative in Nature (5 marks)