FEEDBACK TUTORIAL LETTER

1st SEMESTER 2019

ASSIGNMENT 1

PURCHASING MANAGEMENT
BPM611S
MR M L NELENGE

QUESTION 1

Solution

SECTION A: MULTIPLE CHOICE QUESTIONS  (1X10=10 MARKS)

1.1 E  
1.2 B  
1.3 C  
1.4 D  
1.5 D  
1.6 D  
1.7 D  
1.8 A  
1.9 E  
1.10 C
QUESTION 2: TRUE OR FALSE (5 MARKS)

2.1 False
2.2 False
2.3 False
2.4 True
2.5 False

QUESTION 3

3.1 Market Structures (with discussions) (6 Marks)
   - Perfect Competition
   - Oligopoly
   - Monopoly, etc.

3.2 Advantages of purchasing from Distributors (5 Marks)
   - Distributors may have specialized product knowledge due to stocking a wide range of products
   - The wide range provides for greater variety, wider choice of style, quality, colour, packaging and finish
   - Shorter lead times and better after sale service due to widespread locations of warehouses of many distributors
   - For retailers, marketing services such as transport, storage, reordering, financing and assistance with promotions and advertisements are provided
• System contracts/ blanket orders/ open contracts can be entered into due to the variety of products stocked by distributors

If a distributor does not offer such services its better to buy from manufacturer. However, most manufacturers are not willing to supply small amounts to enterprises.

3.3 Flexibility and Quality Accreditation (4 Marks)

Quality products or services has an influence on the productivity of the producing organizations due to fewer interruptions and better working conditions which will lead to the quality of the final products or services which will eventually leads to greater customer satisfaction and competitive advantage.

Flexibility is of great importance due to that the suppliers must be selected for an integrated supply chain. Supplier should focus on these areas of flexibility; volume the ability to change the number of products supplied; variety of the range of products. Mix ability to produce varying proportions of different products. New products the ability to adapt in order to develop new products
Question 4: Case Study

4.1 Organizational Structure observed in the case (4 Marks)
   - Decentralized Organizational Structure

4.2 Quadrant of the product discussed in the case (4 Marks)
   - Strategic Product

4.3 Purchasing Strategies (12 Marks)
   - Develop long-term supply relations
   - Analyzing and managing risks regularly
   - Planning contingencies

Total Marks for assignment 1 = 100 Marks

The End