



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT
Paper No.2
Procurement Process/Operations

Dec 2012

Date: 09.12.2012
Time: 10.00 am to 1.00 pm

Max Marks: 100
Duration: 3 Hours

Instructions:

Part A contains 4 main questions each question carries 10 marks. Attempt all 4 questions
Part B contains 7 questions, attempt any 4 questions. Each question carries 15 marks.

PART-A

Answer all four Questions. Each question carries 10 marks. Total 40 Marks for this Section.

Q1. State True or False:

- 1.1 Call in experts do not help you to develop alternate scenarios.
- 1.2 Over as well as under specifying are equally bad.
- 1.3 Custom made parts need not be more expensive than standard parts.
- 1.4 A too detailed specification may lock you in.
- 1.5 Use of socio economic criteria may not mean paying a higher price.
- 1.6 Open tendering system is not where all interested sellers may submit tenders.
- 1.7 Composition specification need not be precise and specific.
- 1.8 Technical specifications do not define exactly what the buyer wants.
- 1.9 Cost reimbursement methods are not the most favored type of contracts.
- 1.10 RFI is not a preparatory stage to follow a formal procurement process/estimate.

Q2. Write the full form of the following abbreviations as used in the context of public Procurement.

- | | | | | |
|----------|---------|---------|---------|----------|
| 2.1 PERT | 2.3 TCO | 2.5 RFI | 2.7 QR | 2.9 TQM |
| 2.2 WSSN | 2.4 R&D | 2.6 EP | 2.8 LCD | 2.10 RAM |

Q3. Fill in the blanks.

- 3.1 Specifying and performance gives confidence that the delivered product will perform as intended.
- 3.2 Market research helps to determine and reasonable price.

- 3.3 Authority and go hand in hand.
- 3.4 Common law is based on past practices, legal practices and
- 3.5 Legal codes are based on comprehensive written system usually covering commercial, civil and law .
- 3.6 Negotiations is a process of seeking solution to the business transactions.
- 3.7 The aim of procurement system is to foster the of SMEs.
- 3.8 Monetary should only be applied to the most critical outcomes.
- 3.9 Link performance to contract to deterioration in service.
- 3.10 In regular , a level of mutual trust is likely to develop.

Q4. Match the following:

Column A

Column B

- | | |
|---------------------------------------|---|
| 1.Specifying requirements | a) creates international agreements |
| 2.Procurement specification | b) are characterized by high risk and low annual consumption. |
| 3.Bottleneck items | c) is often predictable above or below average levels at certain intervals of time. |
| 4.WTO | d) the feed- back loop and systemized performance. |
| 5.Random variation occurs | e) allow the buyers and sellers to speak the same language. |
| 6.Seasonal demand | f) avoid even the appearance of a conflict of interest. |
| 7. Project management tools | g) leads to developmental delays and cost over runs. |
| 8. Standards | h) when demand varies from underlying pattern due to unforeseen reasons. |
| 9. Ethical principals | i) may include operational, capital and other requirements. |
| 10 lack of early procurement planning | j) means what exactly is required and how the quality be tested |

PART- B

Attempt any four questions. Each question carries 15 marks. Total 60 marks

- Q5. What are the type of contracts? Briefly explain them? Also explain the significance of contract management.
- Q6. What are tender conditions? Why are they necessary? Mention the important once (at least five) & explain their relevance to the contract.
- Q7. What is competitive bidding? When it becomes necessary? What are the advantages over the conventional bidding process?.
- Q8. Write short notes on any three.
- a) Pareto Rule.
 - b) Bidder Protests.
 - c) Commodity purchases.
 - d) Important elements of contract.
 - e) Life cycle costing.
 - f) Fixed price contracts.
 - g) Capital procurement.
- Q9. What is role of procurement in an organization? Describe briefly the procurement process.
- Q10. What is supply strategy? Why is it necessary? Explain the supply strategy for critical and routine items.
- Q11. What are product specifications? Explain in brief the important aspects. Also explain the functional specifications and when these are used.
