



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT

Dec 2014

Paper No.3
Contract Management

Date: 15.12.2014
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

(each sub question carries 1 mark Total 40 marks)

Q1. State True or False: 10 marks

- 1.1 Performance bond is taken to ensure the performance under the contract.
- 1.2 Risk transfer is the use of third party's solution to minimize risk.
- 1.3 Round table estimating is fast but relatively expensive to perform.
- 1.4 Price analysis is a means and not an end.
- 1.5 Sellers obligation's includes transfer of title of ownership for a product.
- 1.6 Buyers obligation's include in general to act in good faith and deal fairly.
- 1.7 Money is the only motivation factor for suppliers.
- 1.8 Too much or too little data can prevent meaningful price analysis.
- 1.9 In PBC the supplier is not responsible for achieving the specified outcome.
- 1.10 A contract is a written agreement that allocated the risks and rewards of a transaction between the parties involved.

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

10 marks

- | | | | | |
|---------|---------|---------|---------|----------|
| 2.1 ISO | 2.3 ITC | 2.5 WBS | 2.7 ROL | 2.9 TIN |
| 2.2 QAP | 2.4 AQL | 2.6 EOQ | 2.8 VAT | 2.10 ICC |

Q3. Fill in the blanks.

10 marks

- 3.1 Customer feedback is a good tool for effective management.
- 3.2 Inflation undermines comparability of pricing data by eroding the real value of
- 3.3 Price comparison comprises of competitive evaluation & comparison withprices.
- 3.4 Price in effect says that price is independent of cost.
- 3.5 Incentives and rewards should not be given for performance.
- 3.6 The extent of price variation generally increases with the.....value of procurement.
- 3.7 The purpose of procurement is to anticipate likely problems and formulate on suitable responses.
- 3.8 The sellers approach to pricing is based on cost based pricing or and based pricing.
- 3.9 In Principal agent relationship in Government contracting, the is the contract placing official.
- 3.10 The PBC envisages team work and improvement.

Q4. Match the following:

10 marks

Column A

Column B

- | | |
|--|--|
| 1. Hierarchy of Price Analysis Techniques | a) where seller controls the entire supply of a particular product that has no close substitute. |
| 2. Protests | b) bid evaluation . |
| 3. Disputes | c) lapse of time. |
| 4. Cost & Price Analysis | d) competency of parties. |
| 5. Extinguishing of the offer | e) sovereign immunity from suits. |
| 6. Additional elements of a valid contract | f) buyer and seller obligations. |
| 7. Monopoly | g) pre-award supplier complaints. |
| 8. Difference in Govt. & Private Contracts | h) buyer and seller relationships. |
| 9. Similarity in Govt. Purchases | i) consists of primary comparison, secondary comparison and auxiliary techniques. |
| 10.Contract defines | j) post award supplier complaints. |

PART- B

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

- Q5. Explain in detail the relevance of price and cost analysis in finalizing contracts.
- Q6. What are bidder complaints? What measures can be taken to reduce and avoid complaints.
- Q7. What is Contract Management? Explain its importance in the procurement process.
- Q8. Explain briefly: Any three.
- a) Comparability of price data.
 - b) Arbitration.
 - c) Cost Analysis.
 - d) Revocation of contracts.
 - e) Public procurement legislation.
 - f) Fair and reasonable price.
 - g) Monopsony.
- Q9. What is the importance of transparency in public procurement? Explain in detail by giving examples from your organization.
- Q10. What are buyers and sellers obligations under a contract? Also explain what is legally enforceable acceptance & how it is communicated.
- Q11. Explain VA & VE. What are the advantages and disadvantages in using them?
