



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT
Paper No.5
Negotiations and Supplier Management

Dec 2014

Date: 15.12.2014
Time: 2.00 p.m to 5.00 p.m.

Max Marks: 100
Duration: 3 Hours

Instructions:

Part A contains 4 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:

10 marks

- 1.1 Negotiation is over after the contract is signed.
- 1.2 Leverage items are available from few vendors only.
- 1.3 Ethical decisions often involve grey areas when choices are not clear cut.
- 1.4 Pre-qualification of suppliers is to limit limit bidding to a few capable suppliers.
- 1.5 Execution plan of the bid is to inform what bidder will do.
- 1.6 Better known methods of ADR are Mediation and Arbitration.
- 1.7 Porter's market model refers to six market forces.
- 1.8 Correct and prompt supplier payments indicate existence of accountability.
- 1.9 Using standards eliminates need of writing detailed specification.
- 1.10 A backward pass through the network identifies earliest start dates.

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

10 marks

- | | | | | |
|---------|----------------|------------------|-----------------|----------|
| 2.1 ITB | 2.3 ADR | 2.5 AAA(Rules) | 2.7 WIPO(Rules) | 2.9 AGF |
| 2.2 WTO | 2.4 ICC(Rules) | 2.6 ICSID(Rules) | 2.8 SCC(Rules) | 2.10 ECA |

Q3. Fill in the blanks.

10 marks

- a) Negotiation to expedite delivery is _____Negotiation.
- b) Supplier charging price based on what buyer is willing to pay is called _____based pricing.
- c) Supplier's interest in buyer's company is reflected in _____Model.
- d) Win-Win strategy of negotiation emphasizes _____.
- e) Schedule of activities is plotted on _____to identify critical path.
- f) Most rigorous approach to contract management is required for _____-items.
- g) Mediation is a method of _____.
- h) _____Arbitration is not administered by any institution.
- i) Excessive _____are one of the most common bottlenecks in public procurement.
- j) Two bid system involves _____bid and _____bid.

Q4. **Match the columns:**

10 marks

- | | |
|---|---|
| 1."Leverage" Items. | a) Schedule Risk. |
| 2."Logical" style of Negotiation. | b) Element of transparent system. |
| 3. Earth quake. | c) Method of ADR. |
| 4. Production problems. | d) Force majeure clause. |
| 5. Compilation of all risks. | e) Risk register. |
| 6. Using Standards. | f) Rational arguments. |
| 7. Uniform set of solicitation Documents. | g) Streamlining procurement process. |
| 8. Arbitration. | h) Influences emotions in negotiations. |
| 9 . Charismatic power. | i) Win-win approach. |
| 10. Joint problem solving | j) High expenditure low risk items. |

PART- B

Attempt any four questions. All Questions carry equal marks. Total Marks 60

Q5. When and why should we negotiate? Explain phases of negotiation.

Q6. What are the organizational and personal powers that affect the outcome of negotiations?.

Q7. In what aspects of ethics procurement personnel should be trained?.

Q8. Write Short Notes on any three :

- a) Supplier perception model.
- b) Alternative dispute resolution.
- c) Quality risk in procurement.
- d) Potential barrier to bidding.
- e) Win-Win negotiation strategy.
- f) Porter's market model.

Q9. Describe the role of contract manager in a cooperative relationship.

Q10. How will you manage the contract schedule?.

Q.11. How a supplier will take care of financial aspect of bidding?.
