



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT**

Dec 2014

**Paper No.8
Value in Public Procurement**

**Date: 16.12.2014
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. Answer all four 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 each. Total 40 Marks for this section.

Q1. State True or False: 10 marks

- 1.1 Milestones need to be established to measure progress against the benchmarks.
- 1.2 There are numerous negotiation styles that one will encounter as a buyer.
- 1.3 GATT does not help in negotiating the reduction or elimination of trade barriers.
- 1.4 A fixed relationship is not a commitment to buy a certain amount.
- 1.5 Internet does not provide a low cost means of decimating information to suppliers worldwide.
- 1.6 Legal codes are based on comprehensive written system usually covering commercial, civil and criminal law.
- 1.7 EC has the unintended effect of creating the digital divide.
- 1.8 Products with lower resource consumption are preferable and more economical.
- 1.9 Lack of early procurement planning leads to developmental delays and cost overruns.
- 1.10 Muslim law is not based on the interpretation of Koran.

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

10 marks

| | | | | |
|---------|---------|---------|---------|---------|
| a) CISG | c) GATT | e) NTBs | g) EDI | i) IFAD |
| b) GATS | d) AFDB | f) BOLT | h) QCBS | j) NTMs |

Q3. Fill in the blanks: 10 marks

- a) EDI does up reaction times and reduces inventory cycle times.
- b) Disadvantages of VMI is its flexibility and reduced inventory turns.
- c) Money is not the only factor for suppliers.
- d) Cross docking operations is an extension of philosophy into logistics & inventory management.
- e) Defining the of an item correctly is essential to VA & VE.
- f) QRs do put a on the volume or price of an commodity that can be imported / exported.
- g) Common law is on past practices, legal precedents and tradition.

- h) A learning curve is to cost price analysis.
- i) Pay increases based on give employees an incentive to improve.
- j) Anti-trust laws competition by eliminating or minimizing the presence of monopolies.

Q4. **Match the following.**

10 marks

Column A

Column B

| | |
|-------------------------------|--|
| 1. Disadvantage of EDI | a) allows buyers and sellers to speak the same language. |
| 2. PPTS | b) helps prevent corruption by eliminating or minimizing the presence of monopolies. |
| 3. Environment procurement | c) first step in procurement reforms be a thorough evaluation of the present system. |
| 4. In PBC | d) for risk reduction and involves and involves suppliers in program development and deployment. |
| 5. ITC recommends | e) a process of seeking optimum solution to the business transaction. |
| 6. A partnership is important | f) the supplier is responsible for achieving the specified outcome. |
| 7. Standards | g) are government strategies besides a tariff that restrict trade. |
| 8. Transparency | h) is a cumbersome process |
| 9. Negotiations | i) a product of ITC Geneva. |
| 10 Non Tariff barriers | j) it is expensive and uses too many standards. |

PART- B

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

- Q5. What is the importance of procurement specification in a contract? What needs to be specified? Explain in detail with examples.
- Q6. What are the different evaluation approaches in procurement? Explain in detail with examples.
- Q7. Explain what is meant by Arbitration and reconciliation process? Why is it essential to incorporate the same in contracts.
- Q8. Write short notes on **any three**.
 - a) The advantages of JIT delivery.
 - b) The importance of feedback loop
 - c) Advantages of two – bid system.
 - d) Environment procurement.
 - e) Importance of code of ethics

- f) Disadvantages of EDI.
- g) Necessity of performance measurement.

Q9. Why is negotiation important in procurement? Explain the phases and the negotiation targets.

Q10. Explain the importance of environment procurement in the context of public buying. What are EP drivers and environmentally preferred products.

Q.11. What do you understand by the term VA & VE ? When do you use the VA &VE applications and how does it help?
