



INDIAN INSTITUTE OF MATERIALS MANAGEMENT  
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT  
Paper No.1

June 2012

Introduction to Public Procurement (State Policy & Guidelines)

Date: 09.06.2012  
Time: 10.00 am to 1.00 pm

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 each. Total **40 Marks for this section**.

**Q1. State True or False:**

- 1.1 Government procurement does affect many different elements of the society.
- 1.2 Value analysis involves a product that exists.
- 1.3 Environmental preferable products are of inferior quality.
- 1.4 Transparency means ill defined regulation and procedures open to public scrutiny.
- 1.5 Liquidated damages can be levied even when no supply has been made.
- 1.6 Public Procurement Training Systems is a product of ITC.
- 1.7 Government purchases should necessarily be made at the lowest quoted price only.
- 1.8 In most developing countries public procurement constitute a significant portion of the national procurement operations.
- 1.9 The three main focuses in contract management are time/schedule, cost and quality.
- 1.10 SME's play an important role in the growth and development of countries.

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

2.1 SME's	2.3 NAFTA	2.5 FAR	2.7 UNCTAD	2.9 ISO
2.2 ECS	2.4 UNHCR	2.6 ICRC	2.8 SBA	2.10 GPA

**Q3. Fill in the blanks.**

- 3.1 Transparency is a central characteristic of a sound ..... system.
- 3.2 ISO 14000 covers ..... ..
- 3.3 The product life cycle comprises of production, distribution, use and .....
- 3.4 Good public procurement ..... maximum competition.
- 3.5 Environment procurement creates ..... within the organization.
- 3.6 Bid is ..... when it confirms to the specification in the solicitation package.
- 3.7 Quantitative ..... put a ..... in the volume or price of a commodity that can be imported or exported during a specified time.
- 3.8 Buying .....is one form of hedging.
- 3.9 Low price variability.....that the suppliers are offering very similar prices.
- 3.10 Exchange ..... is the value an item will have after being used for a while .

**Q4. Match the following:**

**Column A**

**Column B**

1. Government buyers	a) is to ensure that procedures and policies are understood and acceptable to the suppliers as well as the procuring entities
2. Brand or Trade names	b) refers to tax that applies to an item in commerce
3. Public buying implies	c) computer to computer transfer of business information
4. Appeal rights in public procurement	d) are banned by International agreements
5 Professionalism	e) implies changing behavior by setting examples that give clear signal to society
6. Affirmative procurement	f) to improve individual and system performance
7. Harmful products	g) lead to increased transparency
8. EDI supports	h) for being accountable for procurement decisions
9. Tariff	i) must be responsive to the public & to the customers within the Govt
10. Transparency	j) are used for commonly used items

## **PART- B**

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

- Q5. What is the role of technology in public buying? Explain the role of internet as a procurement tool. What is the responsibility of buyers in public procurement?.
- Q6. Why is negotiation an integral part in procurement? Explain the different phases of negotiations.
- Q7. What is the importance of public procurement? What are its effect on society? Explain good procurement governance.
- Q8. Write short notes on any three.
- a) Code of Ethics.
  - b) Price Analysis.
  - c) Importance of terms and conditions in a contract.
  - d) Elements of a contract.
  - e) Product Specification.
  - f) Competition.
  - g) Appeal Rights.
- Q9. What is environment procurement? What are environmentally preferred products? Also indicate the common misconceptions about environment procurement.
- Q10. Why is competitive bidding more suited to high value purchases? Explain briefly the essential requirements for undertaking competitive bidding.
- Q11. What is value analysis and value engineering? How do they assist in procurement?

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