



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

June 2012

Date: 10.06.2012
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 Include any relevant policies in your specification.
- 1.2 Market research does not help to determine fair and reasonable prices.
- 1.3 Spot purchase generally involves arm's length relationship.
- 1.4 It is important to let the supplier know why you are procuring the product or service.
- 1.5 Authority and responsibility go hand in hand.
- 1.6 Specifying testing parameters give confidence that the delivered product will perform as intended.
- 1.7 Technical support and training is necessary where complex equipment or machinery is being procured.
- 1.8 Trade and Industry Associations do not develop Industry standards.
- 1.9 Cost reimbursement methods are the most favored type of contracts.
- 1.10 Expenditure on procurement forms a significant part of Government business.

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

2.1 AQL	2.3 ISONET	2.5 CPM	2.7 ITU	2.9 BIS
2.2 RTA's	2.4 LCC	2.6 EMS	2.8 NPV	2.10 WBS

Q3. Fill in the blanks.

- 3.1 Writing restrictive specification competition and provides the supplier with additional leverage.
- 3.2 Efficiency and economy are corner stones in public procurement operations.
- 3.3 Any with which the product or service must comply is called legal requirement.

- 3.4 In two tendering the procuring entity invites tenders in two
- 3.5 Technical specification exactly what the buyer wants.
- 3.6 Open is a procedure where all interested sellers may submit tenders.
- 3.7 Bottleneck items are characterized by ... risk and ... annual consumption.
- 3.8 Direct is a procedure where by the procuring entity contracts and seeks a proposal from one candidate only.
- 3.9 Price is one of the main features of commodity buying.
- 3.10 Life cycle cost is the sum of the cost of acquisition and the cost of

Q4. Match the following:

Column A

Column B

1.Specification	a) should go hand in hand
2.National Standards	b) covers all the information that is needed to be provided to the supplier so that the end user will receive what is required.
3.Product specification	c) to safe guard against situation arising out of acts of god
4.Hedging	d) guidance to developing quality systems.
5.Force Majeure	e) is insisted upon by countries as a mandatory requirement for doing business.
6.ISO 9000	f) is a low cost alternative to speculating
7. EMS compliance	g) are established and agreed within a country.
8. Standards	h) is one that covers multiple purchases over a period at a time.
9. Term Contract	i) allow buyers and sellers to speak the same language.
10.Authority and responsibility	j) is a statement of requirements to be satisfied by a product or service.

PART- B

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

- Q5. What is solicitation package? What all it contains? Indicate the documents/ information necessary to be submitted with the bid. Indicate the importance of closing date & time
- Q6. What is inventory control? What is selective inventory analysis? Briefly describe three important ones.
- Q7. Explain in detail the procurement process. What are the important criteria that need to be met in case of competitive bidding.
- Q8. Write short notes on any three.
- a) Spot purchase.
 - b) Consultancy contract.
 - c) Low value procurement.
 - d) fixed price contracts.
 - e) Statutory variations.
 - f) Bidder complaints.
 - g) Functional specification.
- Q9. What is supply positioning model? Explain briefly the strategy for bottleneck and routine items.
- Q10. Explain the process of bid evaluation. Why is it important to indicate the bid evaluation criteria in the bid itself?
- Q11. What are the advantages and dis-advantages of using brand names, demonstration and samples in procurement? Explain the significance of price variation in contracts..
