



INDIAN INSTITUTE OF MATERIALS MANAGEMENT  
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT

June 2012

Paper No.8  
Value in Public Procurement

Date: 12.06.2012  
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.

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**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 A term contract does not cover multiple procurements over a period of time.
- 1.2 Lack of early procurement planning need not lead to developmental delays and cost over runs.
- 1.3 GATT does not help in negotiating the reduction or elimination of trade barriers.
- 1.4 Use of socio economic criteria may mean paying a higher price.
- 1.5 Environment procurement is a cumbersome process.
- 1.6 Improvement of procurement in the public sector will have positive ramification for the rest of the economy.
- 1.7 You can reduce risk by identifying new sources of supply and developing suppliers.
- 1.8 Make use of the Standards where ever possible.
- 1.9 A systems approach requires an objective view.
- 1.10 Negotiation is a process of seeking the optimum solution to the business transaction.

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

- |         |        |          |         |         |
|---------|--------|----------|---------|---------|
| 1) IACC | 3) WAN | 5) NAFTA | 7) NTMS | 9) VMI  |
| 2) QCBS | 4) ITU | 6) AFDB  | 8) UNEP | 10) BOT |

Q3. Fill in the blanks:

- a) The goal of project management is ..... of projects in time and within budgets.
- b) Quantitative restrictions put a ..... on the volume or price of a commodity that can be imported or exported over a period of time.
- c) Spot purchasing is clearly the only ..... in one-off requirement.
- d) Common ... is based on past practices, legal precedents and traditions.
- e) Digital signatures ..... chances of fraud or malfunction than that related to paper.
- f) Tariff refers to ... that applies to an item in commerce.
- g) Incentives & rewards should not be given for ..... performance.
- h) The aim of procurement is to foster ..... of small and medium sized enterprises.
- i) Absolute impartiality .... be shown to all bidders receiving the solicitation.
- j) Project management ..... are the feed back loop and the systemized performance.

Q4. **Match the following.**

**Column A**

**Column B**

1. CISG	a) treats foreign goods and services as equal to domestic goods and services.
2. Internet provides	b) accountability, responsiveness, professionalism & transparency
3. Good procurement governance	c) encourages competition by eliminating or minimizing the presence of monopoly.
4. Ethical principle	d) becomes necessary when there is suspected cartel formation.
5. Anti - trust laws	e) to prevent corrupt practices and attracting investment.
6. Learning curve	f) has the unintended effect of creating the digital divide
7. Price Analysis	g) is important to cost price analysis
8. Transparency helps	h) avoid even the appearance of conflict.
9. Electronic Commerce	i) low cost means of disseminating information to suppliers world wide.
10 Signatory countries of GPA	j) a voluntary international trade agreement that establishes guidelines for contracting.

## **PART- B**

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

- Q5. How is Government buying different from private buying. What are the responsibilities of buyers in public procurement? Also explain what is good procurement governance?
- Q6. What is the frame work of controlling corruption? Explain briefly the protest and dispute resolution.
- Q7. Explain the importance of evaluation of bids. What elements / aspects are considered when analyzing a bid? Also explain briefly the different approaches available for evaluation of bids
- Q8. Write short notes on **any three**.
- a) Advantages of using a commercial specification.
  - b) Project Management.
  - c) Tariff & Non Tariff barriers.
  - d) The requisition.
  - e) National Standards
  - f) Total cost of ownership.
  - g) Communication with suppliers.
- Q9. What is role of technology in procurement? What are the advantages of using Electronic Data Interchange (EDI). What are its limitations?
- Q10. What is performance based contracts? When are these used? Explain its advantages over conventional contracts.
- Q11. What is the life cycle approach in procurement? Explain by giving examples of at least two important items.

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