



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

June 2013

Date: 10.06.2013
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:

- 1.1 Good negotiators do not learn from past mistakes.
- 1.2 Briefing the contract team is not essential for negotiations.
- 1.3 Prequalification objectives do not limit bidding to capable suppliers.
- 1.4 An organization's ethics officer should be one of its top managers.
- 1.5 Skilled negotiators recess more frequently than average negotiators.
- 1.6 Deciding on the negotiation team members & their roles is not a key matter.
- 1.7 A rehearsal is important to being well prepared.
- 1.8 Give as much time to preparation to negotiations as may be necessary.
- 1.9 The best agreement is one that is fair to both sides.
- 1.10 Probing questions can get you the information you need.

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

2.1 WIPO	2.3 RFT	2.5 UNCTAD	2.7 ICC	2.9 IFPSM
2.2 ICSID	2.4 RFP	2.6 ITC	2.8 EDI	2.10 CPSM

Q3. Fill in the blanks.

- a) The of time spent on preparing for a negotiation is more important than the quantity .
- b) Two better known methods of ADR are mediation and
- c) Negotiation is the process whereby two or more parties with views initially attempt to reach an agreement on a common objective.
- d) Cost of ownership is the total cost involved in & using the procured goods.
- e) Most negotiations involve three phases; preparing, the negotiation meeting(s) and
- f) Procurement and supply strategy should focus on overall cost and supply risk.
- g) Supplier assessment is a aspect of the procurement and supply process.
- h) The supplier power is when there are few buyers and many sellers.

- i) You need to the process as well as the outcome.
- j) The conclusion of negotiations is the of a new business relationship.

Q4. **Match the columns:**

Column A	Column B
1. Supply Positioning Model	a) can limit the entry of new suppliers into your market.
2. Routine items	b) usually characterized by high annual expenditure & high risk.
3. Critical items	c) usually characterized by wide availability & low yearly procurement expenditure.
4. Supplier performance	d) a person who is friendly & easily relates to others
5. Supplier Perception Model	e) a person who resorts to rational arguments, facts and figures.
6. Negotiation style-warm	f) refers to a variety of techniques for resolving disputes without resorting to litigations.
7. Negotiation style-logical	g) are those that are offered only by one supplier for reasons of technology, patent & copyright etc.
8. ADR	h) how suppliers see your organization as a potential client.
9. Proprietary items	i) capability plus motivation.
10. High transportation costs	j) serves to guide you in prioritizing your efforts in business analysis and negotiating with suppliers

PART- B

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

- Q5. When do buyers negotiate? Give an overview of the preparations needed for negotiation.
- Q6. What is price analysis? When does it become necessary? Explain the cost model.
- Q7. What is Supply Market Analysis? Explain. Also explain the Porters Market Model(variation).
- Q8. Write Short Notes on any three :
 - a) Bidder Protests.
 - b) e-procurement.
 - c) The phases of negotiations.
 - d) Transparency in procurement.
 - e) Payment delays
 - f) Supply positioning model.
 - g) Role of ethics in procurement.

- Q9. What are negotiation objectives? Explain the role of variables and options. Give examples.
- Q10. What is Contract Management Plan? What information is to be included in it. Explain in detail.
- Q11. What is understood by measuring and controlling performance? Explain in detail with examples.
