



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

**June 2014**

Date: 16.06.2014  
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. Attempt all 4 questions (compulsory)  
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 There is no difference between RFP and ITT.
- 1.2 The most important parts of the bid are "Scope of work" and "Execution Plan"
- 1.3 Verbal agreements can be made for low value items.
- 1.4 International suppliers may be bound to "National dispute settlement procedures" only by specific contract language.
- 1.5 The most common alternative dispute resolution is Mediation.
- 1.6 The contract manager should be skilled in the application of contract laws to deal with one time suppliers.
- 1.7 Making payment to the supplier is "Contract management function".
- 1.8 Negotiation is a process of seeking the optimum solution to the business transaction.
- 1.9 "Differentiation" is focusing on different aspects of cost of products.
- 1.10 Win-Win strategy in negotiation results in mutual satisfaction for both parties.

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

|          |          |            |         |          |
|----------|----------|------------|---------|----------|
| 2.1 SWOT | 2.3 LCIA | 2.5 ADR    | 2.7 ITB | 2.9 ILO  |
| 2.2 RFID | 2.4 ITC  | 2.6 UNCTAD | 2.8 GSA | 2.10 SME |

**Q3. Fill in the blanks.**

- a) Arbitration is one of the methods of \_\_\_\_\_
- b) CISG establishes guidelines for the settlement of \_\_\_\_\_
- c) \_\_\_\_\_arbitration reduces the time and administrative cost of settlement.
- d) Allotting different functions to individuals in contract management is known as -----of duties.
- e) \_\_\_\_\_-of activities shows all activities required to achieve desired end results.
- f) \_\_\_\_\_items should require minimal contract management effort.
- g) Earthquake constitute \_\_\_\_\_risk.
- h) \_\_\_\_\_may need revision to reflect current situation after contract review.
- i) \_\_\_\_\_model compares risk and cost to classify items of procurement.

j) How suppliers regard your organization is known from \_\_\_\_\_ Model.

Q4. **Match the columns:**

- |                            |  |
|----------------------------|--|
| 1. Bottleneck items.       | a) Streamlining procurement process.     |
| 2. "CORE"                  | b) Solicitation document.                |
| 3. Tough negotiating style | c) Schedule risk in contract.            |
| 4. Bargaining              | d) High risk low value items.            |
| 5. Gantt chart             | e) Supplier's first choice for business. |
| 6. Bureaucracy             | f) Persuasion technique.                 |
| 7. Incorrect specification | g) Quality risk in contract.             |
| 8. Mediation.              | h) A method of ADR                       |
| 9. E-Commerce.             | i) Strong desire to achieve.             |
| 10. Invitation to tender   | j) Identifies critical path.             |

## **PART- B**

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

Q5. What is the impact of supplier's perception about your organization on negotiation?. How will you judge the position of your organization in negotiation?.

Q6. How will you persuade the supplier during negotiation to achieve your objectives?

Q7. What precautions you will take while negotiating with supplier from other countries?

Q8. **Write Short Notes on any three :**

- Evaluation of bids.
- Arbitration.
- Risk register.
- SWOT Analysis
- Measures to reduce corruption.
- Negotiating styles.

Q9. Explain how price/cost analysis helps in negotiation?

Q10. How will you train your procurement personnel?

Q.11. What measures you will take to reduce/avoid complaints from bidders/suppliers?

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