

**INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT**

DEC-09

Paper No.2

Procurement Process/Operations

Date: 13 .12.2009
Time: 10.00 am to 1.00 pm

Max Marks: 100
Duration: 3 Hours

Note:

Part A contains 4 main questions each question carries 10 marks. Attempt all questions
Part B, attempt any 4 questions. Each question carries 15 marks.

PART-A

Q1. State True or False:

- 1.1 Make sure your technical specifications are clear and precise.
- 1.2 Call options do not allow you to secure a price without a commitment to buy.
- 1.3 Over as well as under specifying are both equally bad.
- 1.4 Authority and responsibility do not go hand in hand.
- 1.5 A specification is a statement of requirements to be satisfied by a product or service.
- 1.6 Standards allow buyers and sellers speak the same language.
- 1.7 Efficiency and economy are important corner stones in public procurement.
- 1.8 The contract clauses state the rights and obligations of the contracting parties.
- 1.9 Cost reimbursement methods are the most favored type of contracts.
- 1.10 Low price variability means that suppliers are offering very similar products.

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

- 2.1 SCM
- 2.2 NPV
- 2.3 AQL
- 2.4 TQM
- 2.5 QAP
- 2.6 CPU
- 2.7 PERT
- 2.8 QR
- 2.9 LCD
- 2.10 IEC

Q3. Fill in the blanks.

- 3.1 Request for is when procurement entity invites proposal from selected parties on the basis of terms of reference or less definite specifications.
- 3.2 Two stage is resorted to when the technical bid is followed by financial bid.
- 3.3 EMS compliance is insisted upon by countries as a requirement for doing business.
- 3.4 One of the main features of commodity buying is their volatility.
- 3.5 Hedging is the low cost alternative to speculating. Buying is one form of hedging.
- 3.6 Functional / performance specification is when suppliers have greater expertise than the buyers.
- 3.7 Any with which the product or service must comply is called legal requirement.
- 3.8 Brand or trade names are for procurement of standard off the shelf goods of relatively low value.
- 3.9 Life cycle cost is the of the cost of acquisition and the cost of ownership
- 3.10 Expenditure on procurement is often a part of a Government total cost.

Q4. Very briefly explain – Any four:

- a) Pareto Rule.
- b) Demand forecasting.
- c) National Standards.
- d) Standardization.
- e) Supplier relationships.
- f) Market research.
- g) Capital expenditure.

PART- B

Attempt any four questions. All Questions carry equal marks.

- Q5. Explain the importance of tender conditions in procurement. Explain the five important ones in detail.
- Q6. What is bid evaluation? Explain the important criteria generally specified in bid evaluation.
- Q7. What is the supply positioning model? How are the routine and leverage items classified?
- Q8. Write short notes on any three.
- a) Bidder protests.
 - b) Sources of supplier information.
 - c) Total cost of ownership.
 - d) Important elements of a contract.
 - e) The spot purchases.
 - f) Commodity purchases.
- Q9. What are the different types of contracts? Explain in detail. When do you resort to cost reimbursement contracts?.
- Q10. Explain in brief the complete procurement process. Also explain the importance of price variation in contracts.
- Q11. What are product specifications? Explain in brief the important aspects.