

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

Paper No.3

Contract Management

DEC-2010

Date: 13.12.2010

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 4 questions

Part B contains 7 questions, attempt any 4 questions. Each question carries 15 marks.

PART-A

Q1. State True or False:

- 1.1 Job order cost system generally used when products are manufactured in discrete lots.
- 1.2 Money is not the only motivation factor for suppliers.
- 1.3 Monopsony exists when there are many buyer's for the like products of several sellers.
- 1.4 Too much or too little data can prevent meaning full price analysis.
- 1.5 An estoppel assists a person to prevent him from contradicting his own previous assertion.
- 1.6 Direct action eliminates or reduces risk, indirect action avoids risk.
- 1.7 Government purchases should necessarily be made at the lowest quoted price only.
- 1.8 Learning curve is not relevant to cost price analysis.
- 1.9 Adequacy of consideration is not an important element for a valid contract.
- 1.10 Protests by bidders relates to post-award supplier complaints.

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

- 2.1 G&A Expenses
- 2.2 PBC
- 2.3 BVE
- 2.4 QCP
- 2.5 BVWG
- 2.6 CERs
- 2.7 INCOTERMS
- 2.8 TIN
- 2.9 PAN
- 2.10 MODVAT

Q3. Fill in the blanks.

- 3.1 Risk assessment involves the of occurrence and the extent of impact.
- 3.2 Sellers includes of title of ownership for a product.
- 3.3 Buyers includes in-general to act in good faith and deal fairly.
- 3.4 The advantages of round tableis that it is fast & relatively inexpensive to perform.
- 3.5 Cost break down coverscosts and..... costs and profit.
- 3.6 A contract is a written..... that allocates the risk and rewards between parties involved.
- 3.7 Depreciation cover straight line and declining balance .
- 3.8 Evaluation..... generally should cover technical merit, cost & past performance.
- 3.9 Direct costs covers, labour, training & other costs directly attributable.
- 3.10 Pricing base must be assessed for accuracy, relevance, completeness and currency.

Q4. Match the following:

Column A

Column B

1. Sellers Obligations	a) accept the goods or services & pay the agreed price.
2. Different legal systems	b) accumulates cost by product lines for each of the processes.
3. Common law	c) must be assessed for accuracy, relevance, completeness & currency.
4. Muslim law setting	d) mechanism to address a situation where an impediment occurs that is beyond the control of parties and prevents performance.
5. Process cost base	e) has a central religious base.
6. Pricing data base	f) the Common law, the Civil law & the Muslim law.
7. Force Majeure	g) levied when supplies are made after the delivery time indicated
8. Liquidated damages	h) time, quantity, location, inflation, extent of competition & technology.
9. Factors that affect comparability	i) to determine the contractual obligation, whether there was a breach, who is liable and the relief to be granted.
10. Buyers Obligations	j) deliver the goods or services in the way, at the time and in the locations specified by parties.

PART- B

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

- Q5. What is public procurement legislation? What are the important areas that it covers?
- Q6. What is the importance of contractual terms and conditions in a contract? Explain in detail five of the important conditions?
- Q7. What is price and cost analysis? Explain the cost analysis in detail? When do you rely on cost analysis and when on price analysis?
- Q8. Explain briefly: Any three.
a) Work Break Down Structure.
b) Elements of a valid contract.
c) Legally enforceable offer.
d) Termination of contract.
e) Cost accounting..
f) Acceptable Quality level.
- Q9. What are bidder protests? Explain a protest process and the measures to be taken to reduce these protests.
- Q10. What is performance based contracting? What are the objectives of performance measurement?
- Q11. What is a construction contract? What are the essential prerequisites in writing a construction contract?