



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT
Paper No.2
Procurement Process/Operations

June 2011

Date: 12.06.2011
Time: 10.00 am to 1.00 pm

Max Marks: 100
Duration: 3 Hours

Instructions:

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

Answer all four Questions. Each question carries 10 marks. Total 40 Marks for this Section.

Q1. State True or False:

- 1.1 Include any relevant policies in your specification.
- 1.2 Procurement functions important role is in facilitating supplier involvement where appropriate.
- 1.3 It is not important to let the supplier know why you are procuring the product or service.
- 1.4 The product and service specification define what is required.
- 1.5 Specifying requirements correctly is a fundamental requirement of any procurement.
- 1.6 Composition specification is also often used where safety or environment concerns are important.
- 1.7 The procurement function does not assists in bringing supply market knowledge & commercial awareness to the process.
- 1.8 Demonstration and samples are used when it is difficult to access quality prior to procurement.
- 1.9 In performance specification, suppliers can use their full expertise and innovation to develop the optimum solution.
- 1.10 Specifying testing and inspecting requirements give confidence that the delivered product will perform as intended.

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

2.1 AQL	2.3 NPV	2.5 ITU	2.7 LCD	2.9 IEC
2.2 SAE	2.4 BIS	2.6 SCM	2.8 UNEP	2.10 RTA's

Q3. Fill in the blanks.

- 3.1 Budget is a plan expressed in financial terms used to prioritize and control the work of an organization.
- 3.2 Buying raw materials will require understanding the requirements and capabilities of the relevant equipment.
- 3.3 Disadvantages of using a performance makes comparison of suppliers bid lengthy and complex .
- 3.4 Trend means that will often follow a continuing progression.

- 3.5 Random occurs when demand varies from the underlying pattern due to unforeseen reasons.
- 3.6 Seasonal demand is often predictably above or below average levels at certain interval of time.
- 3.7 Call in experts to help you to develop alternate
- 3.8 The Delphi technique of involves a group of experts making predictions anonymously and independently of each other.
- 3.9 Dependent demand is where the..... is dependent on demand for something else.
- 3.10 Forecasting based on opinion involves consulting people with experience and expertise for their opinions.

Q4. Match the following:

Column A

Column B

1.Independent Demand	a) where complex equipment or machinery is being procured
2.Casual methods creates forecasts	b) installation, commissioning, operation, maintenance, service upgrade and disposal.
3.The World Trade Organisation	c) consider the needs of the people, who will install, operate & maintain.
4.The Procurement Specification	d) prevents competition & provides the supplier with additional leverage
5.Machinery & Equipment	e) design, specify requests, purchase, store and pay for.
6.Cost of Acquisition covers	f) represents completely stand alone requirements
7.Cost of Ownership covers	g) will obviously be more expensive than standard parts.
8. Writing restrictive specification	h) by establishing a cause-effect relationship between independent variables and the demand for a product.
9. Customs made parts	i) covers International Agreements
10.Technical support and training	j) must include necessary contact information of the buying organisation

PART- B

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

- Q5. What is contained in a solicitation package? Indicate the documents and information the Supplier must submit with bid
- Q6. What is market research? Explain in detail. How does it assist in the procurement process?
- Q7. What is supply strategy? Explain the same for routine and bottleneck items.

Q8. Write short notes on any three.

- a) Weighting scoring.
- b) Spot Purchase.
- c) Open Tendering the preferred option.
- d) Supply strategy for critical items.
- e) Capital Procurement.
- f) Low value procurement.
- g) Fixed price contracts.

Q9. What is inventory control? Explain three important methods of selective inventory analysis.

Q10. Explain the importance of evaluation of bids. What are the various ways to evaluate the bids.

Q11. What are procurement specifications? Explain in detail the important aspects.
