INDIAN INSTITUTE OF MATERIALS MANAGEMENT
PGDMM– Two Years Course

COMPUTER MARKED ASSIGNMENT (CMA) For Jan-June 2020 semester.

Semester 4
PAPER – 23
PUBLIC PROCUREMENT

Instructions:
1. Answer all 50 questions (compulsory). Each question carries 2 marks  Total : 100 Marks
2. Read instructions given on the OMR answer sheet and answer the questions.

Q1: Which of the following statements is true?

Public procurement is done by

(A) Contractual arrangement  
(B) Barter arrangement  
(C) Non contractual arrangement  
(D) Using inherent power

Q2: Which of the following is not a part of classical RIGHTS of purchasing?

(A) Right price  
(B) Right quality  
(C) Right quantity  
(D) Right country

Q3: Which of the following principles of public procurement is reflected in ensuring fairness, equality, competition and appeal rights in public procurement?

(A) Responsiveness principle  
(B) Transaction principle  
(C) Professionalism principle  
(D) Transparency principle

Q4: Which of the following is not a component of TCO (total cost of ownership)?

(A) Acquisition costs  
(B) Cost of switching from one supplier to another  
(C) Usage costs  
(D) End of life costs

Q5: Which of the following is not correct statement for Value analysis? Value Analysis aims at

(A) Increasing value by increasing functions at the same cost  
(B) Increasing value by decreasing cost for the same function  
(C) Analysing function and costs  
(D) Increasing function and increasing cost in the same proportion

Q6: PLAN-DO-STUDY-ACT cycle refers to which of the following concepts?

(A) Just in time  
(B) Six sigma  
(C) TQM  
(D) Theory of competition
Q7: Which of the following organisations is entrusted with the responsibility of issuing General Financial Rules for public procurement?

(A) Ministry of MSME  
(B) Ministry of Finance  
(C) Ministry of Commerce and Industry  
(D) Cabinet Secretariat

Q8: Which of the following is not a fundamental principle of public procurement in General Financial Rules 2017?

(A) Efficiency, economy and accountability  
(B) Removal of corruption  
(C) Delegation of financial powers  
(D) Equitable treatment of suppliers

Q9: Which of the following is not correct for “consent”? Consent is said to be free if it is not caused by

(A) Coercion  
(B) Fraud  
(C) Misrepresentation  
(D) Breach of trust

Q10: The statement, “all contracts are agreements but all agreements are not contracts” is

(A) True  
(B) False  
(C) Sometimes true and sometimes false  
(D) Irrelevant for contracts

Q11: Which of the following is not included in international INCOTERMS?

(A) FOR  
(B) FOB  
(C) DDP  
(D) CIF

Q12: Transfer of property in Sale of Goods Act 1930 refers to

(A) Physical property  
(B) Chemical property  
(C) Transfer of ownership from seller to buyer  
(D) Transfer of possession

Q13: Breach of contract in a contract can be made by

(A) Only buyer  
(B) Only seller  
(C) By buyer or seller  
(D) By government

Q14: Which of the following is not a category of public procurement?

(A) Goods  
(B) Consultancy services  
(C) Works  
(D) Creation of public procurement division in Ministry of Finance
Q15: Which of the following activities is not included in procurement cycle?

(A) Need assessment  
(B) Issue of bid documents  
(C) Training in legal aspects of procurement  
(D) Opening of tenders

Q16: Which of the following is not the significant reason for removal from list of approved suppliers?

(A) Supplier has ceased to exist  
(B) Insolvency of supplier  
(C) Involvement in political activities  
(D) Involvement in unethical business practices

Q17: Which of the following is the key feature of outsourcing?

(A) Core competency of the organization should not be outsourced.  
(B) Outsourcing is always advantageous to government.  
(C) Outsourcing is a budget oriented activity only.  
(D) Only those activities which do not result in layoff of manpower are to be outsourced.

Q18: Which of the following is not the normal mode of public procurement?

(A) Open tendering  
(B) Ab initio negotiations  
(C) Restricted tendering  
(D) Single tendering

Q19: COTS stands for

(A) Commercially of the shelf  
(B) CURRENT over the shelf  
(C) Claim of the shortage  
(D) Created off the shore

Q20: Which of the following is not a correct statement with respect to specification?

(A) Specification should generally be generalized specification.  
(B) Brand or trade names can be used as specification for purchase of automobiles.  
(C) Sample as specification should generally not be used.  
(D) Use of the product is not an important consideration for specification

Q21: Which of the following principles/laws is applicable in ABC analysis?

(A) Pareto principle  
(B) TQM  
(C) Six sigma  
(D) Constitutional principle

Q22: Which of the following is generally not part of bid documents?

(A) General conditions of contract  
(B) Form for submission of EMD  
(C) Form for submission of bills  
(D) Price schedule
Q23: Which of the following activities comes first in the bidding process?

(A) Receipt of bids  
(B) Pre bid conference  
(C) Appointment of tender opening board  
(D) Submission of EMD

Q24: Which of the following is not related to bidding process?

(A) GCC  
(B) SCC  
(C) EMD  
(D) General damages

Q25: Which of the following is not correct for the two bid system of tendering?

(A) Technical bid is opened first  
(B) Financial bid not opened along with technical bid  
(C) Technical and financial bids are opened simultaneously  
(D) Financial bids are opened after evaluation of technical bids

Q26: Which of the following is not relevant for assessing reasonableness of price?

(A) Entry of a new supplier  
(B) Cost price analysis  
(C) Price quoted by deregistered suppliers  
(D) Last purchase rate

Q27: Which of the following is correct regarding negotiations in public procurement?

(A) Negotiations should not be done  
(B) Negotiations should be done by representative of finance only  
(C) Negotiations, if necessary, should be done with L1 first  
(D) Prices after negotiations should be accepted by Purchase department?

Q28: Which of the following is correct statement regarding CVC guidelines?

(A) CVC guidelines are not binding on State government.  
(B) CVC guidelines are not mandatory for central PSUs.  
(C) CVC guidelines are mandatory for State PSUs  
(D) CVC guidelines are not mandatory for Indian Army, Navy and Air Force

Q29: Which of the following is incorrect statement regarding purchase record keeping?

(A) Tender opening alert system/register should be maintained.  
(B) Separate file for each supply order is a good practice.  
(C) Supply order register should be maintained purchase section wise.  
(D) Purchase file should be destroyed after completion of supplies.

Q30: Which of the following is not key performance indicator for purchase department?

(A) Indents covered in original validity of bids  
(B) Average time taken for award of contract after tender opening  
(C) Oldest indent pending for coverage  
(D) Number of cases closed by CVC
Q30: Which of the following is not relevant regarding lead time of purchase?

(A) Administrative lead time of purchase
(B) Supplier's lead time
(C) Time for dispute resolution with supplier
(D) Lead time reduction is an important goal of purchase department

Q31: Which of the following is not related to information technology in public procurement?

(A) GeM
(B) ERP
(C) MRP
(D) MSME Development Act 2012

Q32: Price variation clause is not used for

(A) Wages variation
(B) Foreign exchange variation
(C) Raw material price variation
(D) Price variation on account of qualification of supplier’s managers

Q33: Which of the following is correct statement regarding instalment delivery period?

(A) Every instalment is a separate contract
(B) Every instalment is not a separate contract
(C) No instalment before the last instalment can be cancelled for non-supply
(D) Instalment delivery need not be accepted by supplier irrespective of bid stipulations

Q34: Which of the following is correct statement regarding extension of delivery period?

(A) Extension in delivery period should always be granted with levy of LD and denial clause
(B) Penalty and LD mean something
(C) Extension in delivery period should be granted without levy of LD and denial clause in case of delay by purchaser in original delivery period
(D) Extension of delivery period should be given without levy of LD when purchaser is not responsible for delay

Q35: For which of the following, date of breach is relevant?

(A) Repeat order
(B) Damages to be claimed
(C) Performance bank guarantee amount
(D) Performance evaluation of supplier for continuation on approved list

Q36: Franking clause in inspection provides for

(A) Not keeping the contract alive if goods offered for inspection before expiry of delivery period are inspected and declared acceptable after expiry of delivery period
(B) Rejection of stores offered for inspection after expiry of delivery period
(C) Acceptance of stores after expiry of delivery period in case of emergency
(D) Rejection of stores at consignee end
Q37: Which of the following is correct statement regarding advance payment to suppliers in public procurement?

(A) Advance payment can be given in case of maintenance contracts
(B) Advance payment can be given in case of all types of contracts with SMEs
(C) Advance payment can be given in case of need expressed by supplier
(D) Advance payment can be given at the discretion of purchaser

Q38: Letter of credit mode of payment is generally used in

(A) International purchasing
(B) Domestic purchasing
(C) Construction contracts
(D) Payment to PSUs

Q39: Which of the following is not anticompetitive practice?

(A) Cover bidding
(B) Bid suppression
(C) Bid rotation
(D) Bidding independently

Q40: Which of the following does not relate to international trade association?

(A) EFTA
(B) NAFTA
(C) AFTA
(D) GATT

Q41: Which of the following methods is usually not used for selection of consultants?

(A) Quality based selection
(B) Least cost selection
(C) Quality and cost based selection
(D) Negotiations

Q42: Which of the following is correct statement?

(A) Bill of entry and bill of lading are interchangeable with each other.
(B) Bill of lading and bill of entry are two different documents
(C) Bill of entry need not give details of bill of lading.
(D) Bill of lading is issued by customs authorities.

Q43: Which of the following is not related to procurement of civil works?

(A) CPWD
(B) FIDIC
(C) MES
(D) GFR 2017 chapter 7
Q44: Which of the following is not relevant for service contract in public procurement?
   (A) Lump sum contract
   (B) Time based contract
   (C) Percentage contract
   (D) Consultant and actual service provider should be same.

Q45: Which of the following is not relevant for service contract in public procurement?
   (A) TOR (Terms of reference)
   (B) RFP (Request for proposal)
   (C) SLA (Service level agreement)
   (D) EOQ Model

Q46: Which of the following is not relevant for inventory management in public procurement?
   (A) JIT (Just in time)
   (B) Vendor managed inventory
   (C) Six sigma
   (D) ABC analysis

Q47: Which of the following is not relevant for dispute resolution in public procurement?
   (A) Arbitration
   (B) Conciliation
   (C) Reference to a powerful third party
   (D) Judiciary

Q48: GFR 2017 does not provide for
   (A) Non-acceptance of late bids
   (B) PV clause in contracts of over 6 months duration
   (C) Quantum of EMD
   (D) E-Procurement

Q49: Which of the following is not related to disposal of scrap?
   (A) Fixing reserve price
   (B) E-auction
   (C) Reverse auction
   (D) Bidding

Q50: Which of the following is not a key feature of good e-procurement system?
   (A) Rule based verification mechanism
   (B) Good authentication
   (C) Private corporate service provider.
   (D) Secrecy and security of bids.