



**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.
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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.

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