



INDIAN INSTITUTE OF MATERIALS MANAGEMENT  
Post Graduate Diploma in Materials Management - 2 years  
PAPER No. 18(enrolment code- PMM ) [ONLINE EXAM]

Dec 2023

**PUBLIC PROCUREMENT**

Date :18.12.2023  
Time : 2.00 pm to 5.00 pm

Max. Marks: 70  
Duration : 3 Hrs.

**Instructions:**

1. Part A, contains 4 main questions (with 5 sub-questions) each question carries 1 mark - Total 20 marks
2. Part B answer any 3 questions out of 5 questions. Each question carries 10 marks - Total 30 marks
3. Part C is a case study. Read the case carefully and answer the questions - Total 20 marks

**PART – A (compulsory) [Total: 20 Marks]**  
Attempt all questions. Each sub-question carries 1 mark.)

**Q.1 Select the right answer**

[5 marks]

1. The most preferred type of public procurement method is the  
(a) Single tender (b) Restricted tender (c) Open tender (d) None of these
2. The open competitive bidding process is a one stage procurement process that has the  
(a) Exclusion criteria (b) Selection criteria (c) Award criteria (d) All of these
3. A proper contract management helps an organization to  
(a) Reduce the risk (b) Keep the cost low (c) Regulate payments (d) Improve inspection
4. Agreement by the bidding party not to involve in corrupt practices is the  
(a) Affidavit (b) Integrity pact (c) Legal undertaking (d) Contract conditions
5. "Programme for results financing" is a financial instrument developed by  
(a) Indian government (b) European Union (c) ADB (d) World bank

**Q.2 Fill in the blanks**

[5 marks]

1. \_\_\_\_\_ is used for complex projects with incomplete information initially
2. \_\_\_\_\_ is the fourth pillar of public procurement management
3. Public procurement act in most countries are governed by \_\_\_\_\_ procurement directives
4. \_\_\_\_\_ are government bodies that check the procurement probity issues
5. E-procurement procedure aims to provide \_\_\_\_\_ in the bidding process

**Q.3 Mention True or False**

[5 marks]

1. Spot purchases are made when the purchase is one time or unique
2. Contract management refers to the completion of the contract with penalties and punishment
3. UNCTAD was created for the purpose of promoting trade and investment in developed countries
4. Good vendor management helps to reduce the risks related to procurement failure
5. Bid rigging helps to bring down the prices in the long run

**Q.4 Match The following**

[5 marks]

COLUMN A		COLUMN B	
Sr. No.		Sr. No.	
1	Few known suppliers for the item	A	Overseers
2	Competition Commission of India	B	Operating administration systems
3	BID security	C	Restricted tendering
4	e-Procurement	D	Earnest Money Deposit
5	Corporate Governance	E	Transparency

## PART - B

[Total 30 marks]

Answer any THREE out of the following five questions:

- Q5. (a) Explain the functions of public procurement management [5marks]  
(b) What are the risks related to procurement? [5marks]
- Q6. (a) Explain in detail the process of open competitive bidding along with the pros and cons [5marks]  
(b) What do you understand by contract management? What are its objectives [5marks]
- Q7. (a) What are the principles of public procurement? [5marks]  
(b) What are the steps that are followed in the import of goods into India [5marks]
- Q8. (a) What are the pillars of public procurement management. Explain briefly each of them [5marks]  
(b) What are the activities that are part of the contract letting phase? [5marks]
- Q9. (a) What are the sources of public finance? [5marks]  
(b) What are the advantages and disadvantages of public private partnership (PPP)? [5marks]

## PART - C

[Total: 20 Marks]

Q.10

### CASE STUDY (Compulsory)

A village is in the process of finalizing the requirement and contract for the construction of a road bridge, The village council was convinced that the economy of the village will greatly improve with the completion of the road connectivity. They wanted to ensure that everything went on well in this project. A committee was formed to get this project envisaged, designed and completed on time.

The committee met and decided to go about the task in a systematic and efficient manner to ensure that the public funds are utilized properly and in the best possible manner. The committee felt the need for integrity and transparency and integrated the essential elements of the public procurement system right at the initial stage.

The committee wanted to ensure a good competition in order to get the best possible rates for the project. At the same time they did not want to end up with a contractor who was not quality conscious and incapable of completing the project. A proper criterion was built into the tender to identify the most eligible contractor.

By following a systematic and scientific method a good contractor was identified to carry out the project, The committee set about the job of monitoring the project. Managing a civil contract has certain requirements that are unique. The committee called for a meeting with the contractor who had won the contract and identified the stages for the management of the contract.

The Committee, with the adoption of proper system and process was able to complete the project satisfactorily on time within the allocated budget

**Questions:**

1. The committee identified a series of activities. What are these activities? [5 marks]
2. What are the elements of the public procurement system that were set up? [5 marks]
3. What was the tendering method and the steps adopted to get a good competition? What were the eligibility criteria followed in the tender? [5 marks]
4. What were the steps identified between the committee and the contractor for the management of the civil project? [5 marks]