



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management - 2 years

PAPER No. 23 (enrollment code - CPM)

PAPER No. 18 (enrolment code – PMM, CMM)

PUBLIC PROCUREMENT MANAGEMENT

Dec 2024

Date : 23.12.2024

Time : 2.00 p.m. to 5.00 p.m

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

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**PART – A**

**(Total 20 Marks)**

**(Compulsory - Attempt all questions each question carries 1 mark)**

**Q. 1. State True or False**

**[5 marks]**

- i. Public Procurement is a profit centric activity.
- ii. Procurement in a private company is funded mainly from taxes & and or grants & loans by the Government.
- iii. In Restricted tendering, a few bidders are identified & invited to bid.
- iv. In two stage tendering, the method used is for small valued goods works or services.
- v. In the revised PPP – MII Order dated 04-06-2020, the Department for Promotion of Industry & Internal Trade ( DPIIT ) has defined different classes of local suppliers.

**Q. 2 Write full form of the following abbreviation. [5 marks]**

- i. GeM. ii. CPPP iii. GFR iv. MFG v. CTE

**Q.3. Select the right answer from mix of probable answers. [5 marks]**

- i. There are \_\_\_\_\_ pillars of Public Procurement Management.  
a. 1, b. 2, c. 3, d. 4.
- ii. The Public Procurement system is based on \_\_\_\_\_ universal principles.  
a. 1, b. 3, c. 5, d. 7.
- iii. Rule no. \_\_\_\_\_ states that no authority should incur any expenditure from the consolidated fund or from the public account in the absence of a sanction provided by competent authority.  
a. 12, b. 22 c. 8, d. 16.
- iv. \_\_\_\_\_ is a binding & legally enforceable agreement between two or more parties.  
a. Reverse auction b. Competitive tendering c. E- Procurement d. Contract
- v. \_\_\_\_\_ is the royal treasury or national treasury.  
a. Union budget. b. Public finance, c. Revenue expenditure d. Exchequer system

**Q.4 . Fill in the blanks. [5 marks]**

- i. \_\_\_\_\_ makes the payment to the C & F agent for different expenses & fees.
- ii. \_\_\_\_\_ is a commercial document given by the exporter to the importer.
- iii. The ----- uses public finance for removing the gap between urban & rural areas, agricultural & industrial sectors.

iv. The process of \_\_\_\_\_ is inherently risky because suppliers can do fraud, deliver poor quality material, send less quantity of ordered material than required & deliver defective items at inappropriate timings.

v. Public procurement deals with purchasing goods & services by public authorities using \_\_\_\_\_.

## PART - B

[Total 30 marks]

**Answer any THREE out of the following five questions:**

**Q.5.** a.. Explain with diagram the Purchasing Process in Public Procurement. [5 marks]

b. Explain the general rules for procurement of Works. [5 marks]

**Q. 6** a. Name the major Institutions Governing International Trade & explain their objectives? [5 marks]

b. Explain different trends in Public Procurement. [5 marks]

**Q.7** a. Explain “ START UP INDIA ” ambitious initiative of Government. [5 marks]

b. Explain “ Public Procurement “( preference to make India ) Order 2017. [5 marks]

**Q.8.** a. Explain the Budgeting & Control of Public Finance. [5 marks]

b. How the Procurement Risks are mitigated? [5 marks]

**Q.9.** Write short notes on any 2 given below. [2 x 5 = 10 marks]

a. Procurement Process of Consulting Services.

b. Bodies involved in the Regulation of Public Procurement

c. Public Exchequer System

d. PPP (Public Private Partnership)

## PART - C

[Total: 20 Marks]

### **Q. 10 CASE STUDY ( Answer 3 sub questions )**

M/s MNC Government Infra Developers Ltd. are leading Govt. Infrastructure Developers in India. They have been in this field & known for completing their building projects on time & for ever lasting Quality, safety & long life of structures built by them. They have a prestigious project all over India & have been procuring various high value capital assets like construction equipment from different suppliers in India as well from European countries for last 4 decades. This equipment are of different makes and there is no standardisation done for procurement of these by the Maintenance department. The department of Maintenance recommends the make & model from a specific source and procurement have been buying them without questioning the indenter / user.

While ordering this costly equipment there is a list of spares are ordered that are needed for maintaining these equipment for 4-5 years, which amounts to about 15- 20 % of the cost of this equipment. These spares are recommended by the manufacturers of these equipment & no study is made by the maintenance dept whether these spares are genuinely required but are indented by the maintenance dept & procured by the procurement team.

In the recent statutory audit, the auditors have raised their serious concern on these spares being procured & most of them are lying in stores for years & piled up as non-moving spares & no actions have been taken against the same.

Knowing this the top management have employed you as a senior stores personnel reporting directly to Managing Director of this company. You have been given special powers to come up with procurement strategy & procurement plan to dissolve this burning issue. Under these circumstances

### **Questions:**

1. List down your 1<sup>st</sup> important company policy decision that you would like to take on procurement of these equipment with immediate effect ? Explain how it is going to help the company here ? ( 7 marks)
2. Explain your 2<sup>nd</sup> important policy decision on procurement of the spares of these equipment ? Justify how it is going to help your company ? (7 marks)
3. What would be your 3<sup>rd</sup> important policy decision on disposal of these huge accumulated non moving spares sitting in the stores without any movement ? ( 6 marks)

You may assume for any additional data, but mention the same if assumed.