



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

Dec 2011

Date: 11.12.2011
 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 Do not include any relevant policies in your specification.
- 1.2 Over as well as under specifying are equally bad.
- 1.3 It is important to let the supplier know why you are procuring the product or service.
- 1.4 A too detailed specification may lock you in.
- 1.5 Authority and responsibility do not go hand in hand.
- 1.6 Technical specifications do not define exactly what the buyers want.
- 1.7 Composition specification is not precise and specific.
- 1.8 Open tendering is a procedure where by all interested candidates may submit tenders.
- 1.9 Bottleneck items are characterized by low risk and high consumption.
- 1.10 Expenditure on procurement does not form a significant part of Government business.

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

2.1 QAP	2.3 TCO	2.5 PVC	2.7 R&D	2.9 SVC
2.2 PERT	2.4 FMC	2.6 EMS	2.8 WSSN	2.10 ASTM

Q3. Fill in the blanks.

- 3.1 In two stage the procurement entity opens first the bid and then the financial bid.
- 3.2 curve involves the process of understanding and getting used to together.
- 3.3 Spot generally involves ... length relationship.
- 3.4 In regular , a level of mutual is likely to develop.

- 3.5 A contract is one that covers purchases over a period of time.
- 3.6 Once your criteria are met, comparison is the basis for a spot purchase.
- 3.7 Call ... relationships involve agreed prices over a set period, but without your to buy a certain amount.
- 3.8 A relationship is like a call-off relationship, but with a to buy a certain amount.
- 3.9 Link to contract, to deterioration in service.
- 3.10 A is important for reduction and to involve suppliers in program development and deployment.

Q4. Match the following:

Column A

Column B

1. Market research helps	a) when quality is more important than the cost.
2. Direct procurement	b) suppliers can use their full expertise & innovation to develop the optional solution.
3. The Industry Standards	c) allow a supplier to understand what is required, which at times is difficult to document.
4. Brand and Trade names	d) are appropriate when the buying organization has design expertise that the suppliers do not have.
5. Performance Specification	e) often state in very basic terms what function a procured product is required to perform.
6. Demonstration and samples	f) that its basic functions are quite commonly understood
7. Technical Specification	g) with which the product or service must comply is called legal requirement.
8. Functional Specification	h) are usually developed by trade & Industry Associations.
9. Implicit quality means	i) where by the procurement entity contracts and seeks a proposal from one firm only
10. Any legislation	j) to determine fair and reasonable prices.

PART- B

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

- Q5. What are the different choices of procurement procedures available? How do you choose the one for?
- Q6. What are product specifications? Explain the same in detail. What are the advantages and dis-advantages of using brand names?
- Q7. What is the role of procurement in an organization? When should procurement be associated when developing new products/processes? What needs to be done to make the procurement cost effective.
- Q8. Write short notes on any three.
- a) forecasting of demands.
 - b) Consultancy contract.
 - c) Lump-sum contracts.
 - d) Bidder Protests.
 - e) Operational & Capital requirements.
 - f) Life cycle costing.
 - g) Supply Positioning Model.
- Q9. What are the types of Contract? Explain the importance of economic price adjustment. Explain the advantages /disadvantages of each.
- Q10. Explain what is 80/20 rule? What are the other methods of selective inventory analysis?
- Q11. What is supply strategy? Explain the importance of price variation in contracts..
