

## Mock Exam

The questions stated are meant to practice for the open questions in the exam of Purchasing and Supply Chain Management, to be held on October 29, 2014, 9.00 – 12.00 hrs.

Questions in this mock exam are organized based on the lectures given. In the exam similar open questions will be asked about the lectures. In addition to the questions below, the possible exam questions, as stated in the slides of lectures 4, 6 and 7 can be used to practice for the open questions in the exam.

In addition to open questions, the exam will include 20 true/false questions and a case study question based on a newspaper article.

### Introduction to Purchasing and Supply Chain Management (lecture 1)

#### Question 1

- a. Name the three basic concepts related to transaction cost economics. In addition, explain how these three concepts together inform the make or buy decision. Use 150 words maximum.
- b. StudentBooks Inc is a writer-printer-publisher of teaching books for students. Recently, the CEO is reconsidering the organization's strategy. He has formulated a new mission: 'be the gateway to knowledge, any way, anywhere and any time the student needs that knowledge'. The CEO wants to reorganize the organization according to this new mission. As such he needs to make various make-or buy-decisions. One of these make-or-buy decisions concerns the printing division of the organization. Reason, from a Resource Based View point-of-view, whether the CEO should outsource the printing division or not. Use 150 words maximum.
- c. Give three reasons why a firm would outsource a part of its production line

### Supply Chain Management and Sustainability (lecture 2)

#### Question 2

- a. Operational Supply chain management deals with the day-to-day activities in a supply chain. Name two core concepts of operational supply chain management and explain in one sentence what each concept is about.
- b. The articles of Beske and Seuring (2014) and Wu and Pagel (2011) that were covered in Lecture 2, taught us that sustainability needs to be practiced at both the strategic and the operational level. The articles listed various aspects that supply chains need to focus on in order to become and act in a sustainable manner. Based on these articles, name two aspects of sustainability at *the strategic level* and two at the *operational level*.
- c. In the book of Johnsen et al (2014) a variety of supply chain maps were explained that firms can use. Examples are value chain maps or flowcharts. Organizations can use or deploy these maps in the light of sustainability. Explain (so do not only name) three ways in which these maps can be used in order to motivate or develop environmental sustainability. Explain each of the three ways in one sentence.

### **Purchasing and sustainability (Lecture 3, guest lecture)**

#### *Question 3*

- a. Explain the difference between purchasing and procurement. Use maximum 50 words.
  
- b. The Dutch police force is organized into 10 regional forces. These forces buy a large variety of items, such as forensic services, uniforms, office equipment, cars, food for the police dogs and horses and insignia. Each police force has its own purchasing unit, which results in 10 different ordering and financing systems.

The Dutch government has announced budget reductions for the entire public sector, including the police. Therefore, the head of the Dutch police forces has to implement an overall corporate strategy that focuses on cost cutting. The head of the Dutch police recently came to the conclusion that there is much room for improvement in purchasing. He feels that purchasing was reduced to an administrative activity in day-to-day operations. Moreover, given the decentralization, there are limited possibilities for achieving economies of scale. The head of the Dutch police decides to centralize purchasing and now needs to organize a new purchasing department.

The head of police hires you as an advisor. His question to you is: what levels should the new centralized purchasing department organize and what should each of the levels focus on? Use 150 words maximum.

### **Buyer – supplier relations (lecture 4)**

#### *Question 4*

- a. When a buyer aims to operationalize its sourcing strategy, he needs to think about a number of questions. Name two of these questions and explain in one sentence what each question is about.
  
- b. A very specific type of hinge is critical to laptop manufacturer A in order to be able to attach the screen of the laptop to the keyboard. The hinge costs 3 Euro's and only a handful of suppliers around the world can deliver this hinge. What type of purchasing strategy should the manufacturer apply: multi sourcing, parallel sourcing or single sourcing? Explain your answer by using the Kraljic matrix. Use 200 words maximum.

### **Supply chain sustainability and supply networks (lecture 5)**

#### *Question 5*

Explain the purpose of eco efficiency

### **Purchasing and Supply chain management in services (Lecture 6)**

#### *Question 6*

- a. Services are, among others, characterized by their heterogeneity, meaning that the outcomes of the service production process are difficult to standardize. This holds especially for people processing services. Explain by means of the transformation model (input-

transformation-outcome) how this heterogeneity in outcomes comes into existence in people processing services. Use maximum 150 words.

- b. In the process for purchasing business services, it is, among others, important to be very clear and precise in the specification stage (Van der Valk and Rozemeijer, 2009). Van der Valk and Rozemeijer named four types of specifications by means of which a buyer can be more clear about what he wants to buy. Name three of these types of specifications. In addition, *use the example of catering services* bought by the University of Groningen to explain what each type of specification is about. Maximum 150 words.