

BALLARI INSTITUTE OF TECHNOLOGY & MANAGEMENT

(Autonomous Institute under Visvesvaraya Technological University, Belagavi)

USN Course Code **M B A L S 3 1 3**

Third Semester MBA Degree Examinations, February 2026

PROCUREMENT FOR BUSINESS**Duration: 3 hrs****Max. Marks: 100**

- Note:** 1. Answer any **FOUR** full questions from Question No. 1 to 7.
2. Question No. 8 is compulsory
3. Missing data, if any, may be suitably assumed

<u>Q. No</u>	<u>Question</u>	<u>Marks</u>	<u>(RBTL:CO:PO)</u>
1	a. Define procurement, sourcing and purchasing.	03	(2:1:1)
	b. Describe the objectives of procurement.	07	(3:1:1)
	c. Analyse the steps involved in sourcing explaining their objectives.	10	(4:1:1)
2.	a. Define purchasing policy and how it helps.	03	(2:1:1)
	b. Describe the steps in designing/creating procurement strategies.	07	(3:1:1)
	c. Explain the factors that generally influence make-or-buy decisions.	10	(5:1:1)
3.	a. Define supply chain integration.	03	(2:2:2)
	b. Describe the process of effective supplier integration.	07	(3:2:2)
	c. Analyse the key barriers to supplier integration.	10	(4:2:2)
4.	a. Name key components of supply market analysis.	03	(2:3:3)
	b. Describe the seven (7) C's of supplier evaluation.	07	(3:3:3)
	c. Analyze the steps involved in supplier selection, evaluation and finalization process.	10	(4:3:3)
5	a. Define business negotiation.	03	(2:4:4)
	b. Explain types and approaches of negotiation.	07	(3:4:4)
	c. Analyse the objectives and approaches of procurement negotiations.	10	(4:4:4)
6.	a. Write the main objectives of contract management in procurement.	03	(2:5:5)
	b. Describe the types of procurement contracts.	07	(3:5:5)
	c. Explain the considerations for selecting the correct contract.	10	(4:5:5)
7.	a. Compare business ethics with compliance.	03	(2:5:5)
	b. Describe the key principles driving business ethics.	07	(3:5:5)
	c. Explain the process of integrating environmental, social and governance factors into procurement decisions.	10	(4:5:5)

8.

Case Study

SMART Foods' Supplier Selection Dilemma

Smart Foods is a food processing company that makes and pack fruit and vegetable purees for juice manufacturing companies in India. It procures required fruits and vegetable across the globe.

Recently it advertised its fruit requirements and shortlisted two suppliers for the supply of guava fruit. One supplier is from India (Value Foods Pvt Ltd.[VFL]) and another from Philippines (Worthy Fruits Inc.[WFI]). Both these suppliers were selected based on set criteria of Reputation, Quality and safety of products, Reliability, Flexibility. Timely Delivery, Total Cost. The comparable weighted average scores on these criteria for these two suppliers are 8.2 and 8.7 respectively for VFL and WFI.

And their quoted prices for supply of 16 metric tonnes of fresh guava are VFL 80,000 and WFI 48,000. The quotation is valid for 30 days. The lead time of supply for VFL is 15 days and WFI is 30 days.

Normally, 2 kg fruits are packaged in a foil bags and then 20 bags are put in one carton and 20 such cartons are wrapped in a pallet. And finally 20 pallets are loaded into one container or a truck.

Local transport and ocean freight charges from WFI location to Indian port for a container (carrying 16 metric tonnes) is Rs. 50,000, Import duty is 10% on the invoice price. Cost of moving the container from port to the warehouse is Rs. 10,000 (including loading unloading). Miscellaneous cost for imports are Rs. 1,000. The cost of transporting 16 metric tonnes from Indian supplier's location to the company's warehouse is Rs. 34,000 (including loading unloading).

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| a. | Calculate and compare suppliers' total costs. | 10 | (5:3:4) |
| b. | Decide which supplier you would select and why? | 10 | (5:4:4) |

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