****

**CERTIFICATE IN LOGISTICS AND TRANSPORT**

# Procurement 04-L3

**February 2022**

# Note to Candidates

Candidates are advised to spend NOT more than 60 minutes in Section A and not more than 40 minutes on each question in Section B. Credit will be given for citing relevant examples.

**Duration: 2.30 hours**

**Answer ALL questions in Section A and any 3 questions from section B**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**SECTION A: COMPULSORY**

(a) Write notes on any three types of benchmarking (**9 marks)**

(b) List and describe the steps of the benchmarking process **(16 marks)**

**SECTION B: Answer any three questions**

**Question 1**

(a) What are Procurement Key Performance Indicators? Give examples**. (5 marks)**

(b) List and explain any 8 key performance indicators in procurement **(20 marks)**

## Question 2

For an organisation of your choice, discuss the impact of poor purchasing practices (**25 marks)**

**Question 3**

What is the importance of each of the seven rules of inventory **(25 marks)**

**Question 4**

Risks can arise within outsourced contracting. Identify and explain the outsourced risks and suggest how they can be minimised? (**25 marks**)

**Question 5**

Explain the key components of a Vendor Rating system in a transport and logistics company of your choice **(25 marks)**