



NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

13 Jackson Kaujeua Street
Private Bag 13388
Windhoek
NAMIBIA

T: +264 61 207 2081
F: +264 61 207 9081
E: coll@nust.na
W: www.nust.na

Centre for Open and Lifelong Learning

FEEDBACK TUTORIAL LETTER

1st SEMESTER 2023

TEST 1

FOR

**Procurement and Supplier
Relationship Management
(PSS811S)**

Dear Students

Thank you for the effort and congratulations on finishing your test 1. Most of you managed to complete your test on time. Below is a list of possible answers to the questions that were provided during the test.

Best Regards

Mr. Linus Hamukoto

PSS811S Marker Tutor

TEST 1

Question 1

1. _____ involves options, appraisal and the critical 'make or buy' decision.
a) **Sourcing**
b) Production
c) Contracting
d) Negotiation
[1 mark]
2. _____ are a set of activities that an organisation carries out to add value.
a) Primary activities
b) **Porters value chain**
c) Upstream
d) Downstream
[1 mark]
3. In the generic value chain of logistics, inbound and outbound logistics is_____
a) a support activity.
b) **a primary activity.**
c) not an activity.
d) the only activity.
[1 mark]
4. Primary Activities includes inbound logistics, operations, outbound logistics, marketing and sales and service.
a) **True**
b) False
[1 mark]
5. _____ is usually referred to as the compromise style.
a) Win-lose negotiation style
b) **Lose-lose negotiation style**
c) BATNA
d) Win-lose negotiation style
[1 mark]
6. The process of identifying which quality standards is relevant to the product and determining the procedures and techniques to satisfy them is referred to as_____
a) Product Quality
b) **Quality Planning**
c) Continuous Improvement Process
d) Incremental process
[1 mark]
7. Pricing strategy that stimulates demand for a product is called_____
a) **Market-based pricing**
b) Direct pricing
c) Quick pricing
d) Fixed pricing
[1 mark]
8. A market is influenced by features such as;
a) what type of goods/services are being exchanged
b) The exchange using bartering system or any other.
c) None of the above

d) **Both A & B**

[1 mark]

9. Which of the following market types has all firms selling products so identical that buyers do not care from which firm they buy?

- a) **perfect competition**
- b) oligopoly
- c) monopolistic competition
- d) monopoly

[1 mark]

10. In a perfectly competitive market, the type of decision a firm has to make is different in the short run than in the long run. Which of the following is an example of a perfectly competitive firm's short-run decision?

- a) what price to charge buyers for the product
- b) whether or not to enter or exit an industry
- c) **the profit-maximizing level of output**
- d) how much to spend on advertising and sales promotion

[1 mark]

Question 2

Discuss benefits of globalization and information technology as modern trends.

Globalization

- **Transgression of national boundaries**
- **Advantage of cost**
- **Specialised labour skills**
- **Emerging Economies**

Information Technology

- **Slicker transactions**
- **Quality of management data**
- **Strategic link with suppliers**
- **Paperless environment**

[8 marks]

Question 3

Discuss Modelling as a stage of the demand management process.

- **is the first step of demand management**
- **uses historic data to better understand past customer behaviour and offer accurate predictions into future service demands.**
- **It aims to make optimum use of all relevant data and when done correctly, it reduces risks by enabling evidence-based decision making, leading to a decrease in waiting times and an increase in quality of care.**
- **requires the demand planning team of a business to obtain the necessary data from other teams related to:**
 - o **sales and demand drivers such as market trends, innovation and social media strategy**

[5 marks]

Question 4

Evaluate supplier development with emphasis on the benefits.

a) the process of working one-to-one with suppliers to improve their performance.

- **Increase supplier responsiveness, particularly to change.**
- **Increased customer satisfaction and experience**
- **Improved quality both of existing and new products or services**
- **Improved transparency and collaboration with your supplier**
- **Establish and develop long term supplier relationships which help to mitigate risk within the supply chain.**

[6 marks]

Question 5

Discuss Sourcing as a component of Supply Chain.

is procuring your raw materials and any components you intend to outsource. Should meet the 5R's of purchasing including best possible price, at the right time, in the right quantity. Aims to:

- **Identify the right suppliers.**
- **Mitigating risks.**
- **Negotiating terms**
- **Ensuring compliance**

[6 marks]

Question 6

Slow Medical Services, a Namibian-based medical services provider operated in a very competitive environment and needs to come up with innovative ideas on how to stay relevant. The entity introduced private medical services targeted for the elite of the Namibian VIP clients and other higher income group clients. For the entity, providing a satisfactory service was the target. The intention was to take on existing medical service providers by ensuring that the service was more satisfactory.

Slow Medical services, is a new player in the market and did not understand well the market they were engaging in. At the end of the first year, slow medical services realized that they have not been reaching their targets and would like to carry out an analysis on to determine the market conditions. You have been appointed as a procurement consultant to advise the entity, and the CEO called for a meeting of the different HODs of the company and discussed the matter. The CEO has requested you to provide an overview of Entity's operations and market condition.

Prepare a short briefing outlining the market, characteristics, and recommendation to improve the entity's performance.

The four fundamental market structures (5 marks)

A market is a place where buyers and sellers exchange goods and services, and it is influenced by factors such as:

- **the type of goods/services being exchanged**
- **the number of buyers in that market**
- **the number of sellers in that market**
- **the market's free flow level related to the trade of goods and services**
- **The location/environment in which commodities and services are exchanged.**
- **The medium of exchange, usually money.**

Market Characteristics (5 Marks)

- 1. Highly competitive market**
- 2. Demanding sophisticated clientele**
- 3. High expectation for quality and timely services**
- 4. Existing medical service providers have established brand recognition and customer loyalty**
- 5. High cost of entry for new players**
- 6. The market size, this is important to consider its effects of the revenue that can be generated**
- 7. market growth, the rate at which the market is growing to understand and predict revenue growth**
- 8 market segmentation, if the market is segmented in different groups based on factors such as age, income, geography**
- 9. market regulations, government regulations can impact the market in various ways hence importance to stay up to date with regulatory changes**

Recommendations (5 Marks)

- 1. conduct a thorough analysis of the target market to better understand customers' needs and preferences**
- 2. develop and implement a marketing strategy to increase brand awareness and attract new customers.**
- 3. evaluate pricing strategy to ensure it is competitive with customers' expectations**
- 4. invest in staff training and development to ensure high-quality services delivery**
- 5. consider strategic partnerships with established medical service providers to expand services and reach wider customer base**
- 6. continuously monitor and evaluate the effectiveness of the business strategy to make necessary adjustments**

[15 marks]

Grand Total: 50 marks