

LAGOS CITY POLYTECHNIC, IKEJA
SCHOOL OF MANAGEMENT AND BUSINESS STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION
2016/2017 SEMESTER EXAMINATION

COURSE	TITLE:	PRINCIPLES	OF
QUESTION:	PURCHASING		NO
COURSE CODE: BAM 117			OF
2HRS			6
			TIME: ALLOWED:

- FOR WHOM:** ND YR II BS PT
- INSTRUCTIONS:** Answer Ques. 6
1. Define the term **and** **approx** **4** **Questions.** its roles
 2. What are the relationship between purchasing and other functions in an organisation
 3. What are the merits and demerits of centralised purchasing system
 4. Define quality with the factors that determine right quantity
 5. What are the sources of getting information on supplier
 6. Emka group of companies is reputed for producing Emekus bitters a malaria treatment herbal product. It uses 25 cartons on weekly basis. If the cost of placing order for the chemical is 6.00 niara, the unit costs of the chemical is 40 naira and it takes 15% of the cost to keep the chemical in stock.
 Calculate:
 (i) The economic order quantity
 (ii) The annual ordering cost
 (iii) The annual carrying cost
 (iv) The total annual cost
 (v) The EOQ if stock out is allowed, and the cost per chemical is 2.00 Naira per annum.