



ZCAS University

BACHELOR of SCIENCE IN PROCUREMENT AND SUPPLIES

BBA3601: NEGOTIATING, CONTRACTING IN PROCUREMENT AND SUPPLY

FINAL EXAM

31st MAY 2024

TIME: 16:30HRS – 19:30HRS

Time Allowed: THREE HOURS (Plus 5 Minutes for reading)

INSTRUCTIONS

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1. Section A: Question ONE (01) is compulsory from this section. This section has a total of **40 marks**.
 2. Sections B: Answer Any three (3) questions from this section. This section has a total of **60 marks**.
 3. This examination paper carries a total of 100 marks.
 4. Please do not turn this page until the invigilator tells you to do so.

SECTION A (COMPULSORY)

QUESTION ONE

After graduating from ZCAS University, you have been offered a job by Luanshya Battery Company Limited as a Supply Chain Specialist. During a negotiation meeting with Manono-Kitolo Mine Pty Limited of the Democratic Republic of Congo, who are the major suppliers of your raw materials, the supplier offers a price and payment terms that are on offer 'this week only' and your organization who is the buyer can take or leave this deal. During the negotiation meeting you explain to your supervisor that more discussion is required because the price is above your organizations budget and the payment terms are shorter than the your organization's standard terms which can only pay 30 days after delivery of the raw material. The supplier listens selectively and then repeats his ultimatum. Your organization does not want an impasse (not reaching an agreement) to end the meeting.

- i. Using Thomas Kilmann Model of negotiation explain the 5 (five) styles of negotiation. **(15 Marks)**
- ii. It is always important to make SMART goals when setting negotiations in business. With examples explain the meaning of SMART goals. **(10 Marks)**
- iii. Explain the five (03) causes of conflict in during negotiations and the three (03) ways of how the conflicts can be managed. **(12 Marks)**
- iv. Explain the meaning of the term 'negotiation' in relation to contracting and procurement. **(3 Marks)**

(Total: 40 Marks)

SECTION B (ANSWER ANY THREE QUESTION)

QUESTION TWO

Organizations are always engaging in various business activities. Contracting is one of the ways that an organization interacts with the business environment. It is not always that businesses will agree on the terms of contracting and usually engage in negotiation, it is from this type of situation where conflicts occur and the aggrieved parties will seek legal redress for breach of contract. As a procurement expert who is vested with the knowledge in negotiations and contracting in procurement and supply, **briefly** explain:

- i. The five (05) causes of conflict in during negotiations.
- ii. The five (05) ways of how conflicts in negotiations can be managed.

(10 Marks)

(10 Marks)

(Total: 20 Marks)

QUESTION THREE

After acquiring knowledge in negotiations and contracting from ZCAS University and subsequently being awarded your bachelor's degree. You have been engaged as the contract manager for New Copper Company Limited of Mufulira in the Copperbelt Province of Zambia. In the first week on your role, you find that suppliers are proposing terms will make your organization not realise the best value for money as you can. It is thus necessary that you engage in negotiations with them.

procurement.

- ii. Before you commence the negotiations, you realize that you have to assess the negotiation environment by understanding the competitiveness of the environment and the nature of the competition. Explain how negotiations with suppliers will be undertaken in a competitive environment and in a restrictive (non-competitive) environment.

(8 marks)

(Total: 20 Marks)

QUESTION FOUR

- I. Explain the meaning of the term contract and list and explain the *elements* of a valid contract. (12 marks)
- II. List and explain four (04) remedies to breach of contract that an organization may take. (8 marks)

QUESTION FIVE

In order to produce the desired results required by an organization and maximize the profits. It is important that there is effective negotiations in all contractual obligations. It is important that procurement and supply chain experts have the necessary skills for undertaking negotiations.

Explain the negotiation process as outlined by the RADPAC model.

(20 Marks)