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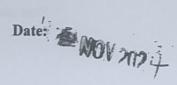
FACULTY OF COMMERCE ECONOMICS DEPARTMENT

DIPLOMA IN LOGISTICS AND SUPPLY CHAIN MANAGEMENT

FINAL EXAM ASSESSMENT

DSM018: BUSINESS NEGOTIATION AND CONTRACTING

Duration 3 hours



INSTRUCTIONS TO CANDIDATE:

- 1. This paper has THREE (3) Sections
- 2. Section A and B are compulsory, Answer any TWO (2) questions in Section C.

SECTION A

Answer ALL the questions from this section - 30 marks

- 1. What is the purpose of a request for quotation (RFQ) in procurement?
- a) To invite suppliers to submit competitive bids
- b) To negotiate pricing and payment terms
- c) To establish long-term partnerships with suppliers
- d) To ensure compliance with local laws and regulations
- 2. Which negotiation style involves avoiding or delaying the negotiation process?
- a) Avoiding
- b) Accommodating
- c) Competing
- d) Collaborating
- 3. What is the significance of conducting a risk assessment in procurement negotiation?
- a) To negotiate pricing and payment terms
- b) To ensure compliance with local laws and regulations
- c) To identify potential risks and develop mitigation strategies
- d) To establish long-term partnerships with suppliers
- 4. Which of the following is an example of a fixed-price contract?
- a) Cost-plus contract
- b) Time and materials contract
- c) Lump sum contract
- d) Incentive-based contract
- 5. What is the purpose of a non-disclosure agreement (NDA) in procurement contracting?
- a) To establish long-term partnerships with suppliers
- b) To negotiate pricing and payment terms
- c) To protect confidential information shared during the procurement process
- d) To ensure compliance with local laws and regulations

6. Which negotiation tactic involves making small concessions to gain agreement incrementally?

- a) Anchoring
- b) Escalation
- c) Lowballing
- d) Nibbling

7. What is the role of a procurement contract administrator?

- a) To ensure compliance with local laws and regulations
- b) To negotiate pricing and payment terms
- c) To manage and administer procurement contracts
- d) All of the above

8. What is the purpose of a performance bond in procurement contracting?

- a) To establish long-term partnerships with suppliers
- b) To negotiate pricing and payment terms
- c) To guarantee the supplier's performance and completion of the contract
- d) To ensure compliance with local laws and regulations.

9. Which negotiation style involves high cooperation and assertiveness to find a mutually beneficial solution?

- a) Avoiding
- b) Accommodating
- c) Competing
- d) Collaborating

10. What is the purpose of a quality assurance plan in procurement contracting?

- a) To establish long-term partnerships with suppliers
- b) To negotiate pricing and payment terms
- c) To ensure compliance with local laws and regulations
- d) To define the quality requirements and standards for the procured goods or services

11. Which negotiation approach focuses on creating a mutually beneficial outcome for both parties?

- a) Win-lose approach
- b) Competitive approach
- c) Collaborative approach
- d) Distributive approach

12. What is the purpose of conducting a supplier performance evaluation in procurement negotiation?

- a) To establish long-term partnerships with suppliers
- b) To negotiate pricing and payment terms
- c) To ensure compliance with local laws and regulations
- d) To assess the supplier's performance against predefined metrics

13. Which negotiation tactic involves making incremental concessions to gain agreement?

- a) Anchoring
- b) Escalation
- c) Lowballing
- d) Nibbling

14. What is the role of a procurement lawyer in negotiation and contracting?

- a) To ensure compliance with local laws and regulations
- b) To negotiate pricing and payment terms
- c) To establish long-term partnerships with suppliers
- d) To provide legal advice and support in procurement contracts

15. Which of the following is an example of a cost-reimbursement contract?

- a) Fixed-price contract
- b) Time and materials contract
- c) Lump sum contract
- d) Indefinite delivery contract

SECTION B

Answer ALL the questions from this section - 30 marks

Case Study: The Impact of Culture on Procurement Negotiation in Zimbabwe

You are a procurement manager for an international company aiming to establish a procurement partnership with a local supplier in Zimbabwe. However, you have noticed that cultural differences and norms are influencing the negotiation process. You need to understand and navigate these cultural aspects to ensure a successful procurement negotiation in Zimbabwe.

Question 1

Explore and analyze the impact of culture on procurement negotiation in Zimbabwe. Discuss how cultural factors can affect the negotiation process and provide strategies for effectively managing these cultural dynamics.

(30 marks)

SECTION C

Answer two questions of your choice - 40 marks

Question 1

Successful negotiators tend to display a number of common characteristics and qualities.

Explain the generally recognised characteristics and qualities of successful integrative negotiators.

(20 marks)

Question 2

Explain why location is such a critical factor in the negotiation process. Illustrate your answer with examples.

(20 marks)

Question 3

Contract negotiators need to demonstrate a wide range of skills in a negotiation. Body language, listening skills and questioning skills are just three attributes that they should focus on. Analyse each of these attributes, illustrating their use in negotiations. (20 marks)

END OF EXAMINATION