

Course No: MAN 4320
Course Title: Purchasing &
Warehousing Management
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No. of Questions: 3
Time: 1hour
Using Calculator (No)

University of Palestine

2nd Midterm Exam
1st 2016/2017
Total Grade:

Instructor Name: Dr.
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Student No.: _____
Student Name: _____
College Name: Business & Finance
Dep. / Specialist: _____
Using Dictionary (No)

First Question

Which of the following questions is (True) or (False):

1. On *average*, manufacturing firms generate *approximately* 70% profit from operations.
2. On *average*, manufacturing firms spend about 10% of their sales dollar in raw material, component, and supply purchases.
3. One of the objectives is purchasing is; Obtain the required quantity and quality of goods and services?
4. In Receive and analyze purchase requisition, it needs a minimum required information in order to Identity of requestor, approval, and charge number/account?
5. In purchasing, process a Continuing relationship involving a commitment over an extended period and an exchange of information?
6. In the purchasing cycle, Determining the Right Price may takes a position that supplier maintained inventory (pay as you use philosophy)?
7. Purchasing and supply management is a poor tool for improving profitability.
8. 10%-30% of COGS accounted for by the cost of purchased goods and services.
9. A company's procurement organization is tasked with securing a reliable supply of quality products to meet the demand of both internal and external customers, at the highest total cost, by sourcing from strategic suppliers and minimizing corporate buying power.
10. Strive to obtain needed items or services at the lowest possible total cost, assuming that quality, delivery and service requirement are satisfied.

Second Question

Answer the following question:

- Q: To make a particular component requires an overhead (fixed) cost of \$7500 and a variable unit cost of \$7.50/unit. What are the total cost and the average cost of producing a lot of 1500? If the selling price is \$9/unit, what is the break-even point?

Third Question

Answer only 4 questions of the followings:

1. Explain the average manufacturing costs as it appears in the cost of goods sold (COGS)?
2. What are the Four Major Objectives of Purchasing?
3. In supplier selection, what are the types of sourcing?
4. Clear how the org. would ensure an uninterrupted flow of Materials as one of the objectives of purchase and supply management?
5. Mention the 5 stages of purchasing?

End of Questions
Good Luck