


Course No: MAN 4320  
Course Title: Purchasing &  
Warehousing Management  
Date: 2018/11/26  
No. of Questions: 3  
Time: 1hour  
Using Calculator (No)

University of Palestine  
  
2<sup>nd</sup> Midterm Exam  
1<sup>st</sup> 2018/2019  
Total Grade:

Instructor Name: Dr.  
EzzElarabElawoor  
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. In the purchasing cycle, Determining the Right Price may takes a position that supplier maintained inventory (pay as you use philosophy)?
2. Purchasing and supply management is a poor tool for improving profitability?
3. 10%-30% of COGS accounted for by the cost of purchased goods and services?
4. 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?
5. Strive to obtain needed items or services at the lowest possible total cost, assuming that quality, delivery and service requirement are satisfied?
6. On average, manufacturing firms generate approximately 70% profit from operations?
7. On average, manufacturing firms spend about 10% of their sales dollar in raw material, component, and supply purchases?
8. One of the objectives is purchasing is; Obtain the required quantity and quality of goods and services?
9. In Receive and analyze purchase requisition, it needs a minimum required information in order to Identity of requestor, approval, and charge number/account?
10. In purchasing process a Continuing relationship involving a commitment over an extended time period and an exchange of information?

## Second Question

**Answer the following question:**

- Q: To make a particular component requires an overhead (fixed) cost of \$6500 and a variable unit cost of \$5.50/unit. What are the total cost and the average cost of producing a lot of 1500? If the selling price is \$8/unit, what is the break-even point?

## Third Question

**Answer only 4 questions of the followings:**

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

End of Questions  
*Good Luck*

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