Level 4 Diploma in Procurement and Supply

D4 - Negotiating and contracting in procurement and supply

EXAM EXEMPLAR QUESTIONS

QUESTIONS
Q1 Learning outcome: 1.0
(a) Explain why a ‘delivery note’ is a very significant ‘form’ in the ‘battle of the forms’. (15 marks)
(b) Describe **TWO** ways in which a buying organisation might attempt to avoid entering into the ‘battle of the forms’. (10 marks)

Q2 Learning outcome: 2.0
(a) Discuss **FOUR** advantages and **FOUR** disadvantages of a win-lose approach to negotiation. (16 marks)
(b) Explain **THREE** factors a buying organisation might consider when establishing its bargaining position in relation to a supplier. (9 marks)

Q3 Learning outcome: 3.0
(a) Explain, with examples, the difference between direct and indirect costs. (10 marks)
(b) Discuss **THREE** financial tools that a buyer could use to support a negotiation. (15 marks)

Q4 Learning outcome: 4.0
During a negotiation meeting the supplier offers a price and payment terms that are on offer ‘today only’ and the buyer can take or leave this deal. The buyer explains that more discussion is required because the price is above the buyer’s budget and the payment terms are shorter than the buying organisation’s standard terms. The supplier listens selectively and then repeats his ultimatum. The buyer does not want an impasse to end the meeting.

(a) Using the scenario outlined above suggest **THREE** different types of question that the buyer can use and explain why these questions might be effective. (15 marks)

(b) Discuss how effective listening skills could improve the supplier’s contribution to the negotiation. (10 marks)