



**St. Mary's University College
Faculty of Business
Department of Management**

**Assessment of Purchasing Practice: In
the Case of Bank of Abyssinia**

**By
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**June 2011
SMUC
Addis Ababa**

**ASSESSMENT OF PURCHASING PRACTICE:
IN THE CASE OF BANK OF ABYSSINIA
IN ST. MARY'S UNIVERSITY COLLEGE**

**BY
MULU ASHENAFI**

**A SENIOR ESSAY SUBMITTED TO THE
DEPARTMENT OF MANAGEMENT
BUSINESS FACULTY
ST. MARY'S UNIVERSITY COLLEGE**

**IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF
BACHELOR OF ARTS IN MANAGEMENT**

**JUNE 2011
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**FACULTY OF BUSINESS
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ACKNOWLEDGEMENT

First and for most, I would like to give my glory to Almighty God.

Next I would like to express my heartfelt gratitude and appreciation to my advisor Ato Wondafrash Mulatu for his valuable and crucial comments throughout the process of this paper.

I am also very much thankful to Ato Sileshi Ashenafi and others for their helpful intellectual suggestion, idea and advice that played a great role for the successful completion of this research paper.

At the last but no the least, I highly appreciate employees of Bank of Abyssinia for their cooperation.

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Abbreviations

BOA - Bank of Abyssinia

GSPAD - General Service & Property Administration Division

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Every organization has its own objectives whether that organization is profit making or non-profit organization or governmental or non-governmental. The inputs of the organizations are processed and the outputs are produced. These outputs are either goods or service that are delivered to the individuals or other organizations. To do so, there are different departments in the organizations. These include Purchasing, Production, Marketing, HR, Finance and others. The purchasing department is the main business function in the organization that deals with suppliers. (Burt N.D and Dobler D.W 1996: 217)

Purchasing is “the process of acquiring materials goods, services that can be used in the operation of an organization in exchange for funds.” (Burt N.D and Dobler D.W 1996:116)

Purchasing is an extremely important function in any organization, manufacturing and service giving. It is one of the basic functions common to all types of business enterprise. These functions are basic because of no business can operate without them. All businesses are administered or managed by coordinating and integrating functions. These are creation, finance, personnel, purchasing, conversion and distribution. All the above six functions have relation each other. (Ibid)

Basic principles of purchasing regarded as the provision of the required materials with the right quality, the right quantity, the right time; at the right price from the right suppliers.

Purchasing responsibilities extend beyond the limited “buying” of a product. Purchasing department is responsible for the following activities: identify and develop sources of supply, select supplies, negotiate contracts, maintain working relations, control vendor performance, evaluate supply and demand economics, initiate cost and make or buy studies and maintain supply system database.

Purchaser knows what is to be bought and also knows the quality specification & quantity required and timing of requirement much in advance. Based on this information the purchasing department will locate the suppliers, place orders and procure the materials.

In general, purchasing is a process that covers from the invitation of bids to the final clearance of invoices, including negotiating, placing, purchase orders and purchasing delivery. To facilitate the activities there must be steps to follow the organizational procurement policy and procedures. Burt N.D and Dobler D.W (1996:219)

In Bank of Abyssinia all purchases are being carried out by the General Service and Property Administration Division. The supplies are purchased from the domestic market will include stationeries, office furniture, office equipment, uniforms and motor vehicles and other services like training.

For each purchase supplies, there must be an annual budget. The budget is prepared at the Department and Branch level. Then, present to Senior Management Committee for approval. After the approval of budget the proformas will be collected by the purchasers and presented to the Tender Committee. The committee evaluates proformas and select suppliers.

With this general framework, the major aim of this study will focus on purchasing practice of Bank of Abyssinia.

Following the NBE Monetary and Banking proclamation No. 83/1994 which allowed private banks to operate in Ethiopia. Bank of Abyssinia was the 3rd private bank to open its door for service. It was inaugurated on 15 February 1996 with a subscribed capital of Birr 25 million and authorized capital of Birr 50 million.

Bank of Abyssinia S.C is supervised by the Board of Directors, which consists of a chairman, vice chairman and ten other Directors. The management of Bank of Abyssinia is delegated to the president, who is appointed by the Board of Directors and is assisted by three vice Presidents.

Currently, after its 14th years of operation the authorized capital grew from 50 million to 630 million, its subscribed capital from Birr 25 million to Birr 315 million and its paid up

capital from Birr 18 million to Birr 445.74 million. The number of shareholders jumped from 131 to 1,319. The number of customers over 260,000 in a total of 49 branches and over 1,700 employees.

The Bank is engaged in the provision of commercial banking services, Current (checking) Accounts, Savings Accounts, Time Deposits, NR/NT Accounts, Overdraft Facilities, Term Loans, Merchandise Loans, Letters of Credit, Bureau de Change, Guarantees. (Brochure 2000)

1.2 Statement of the Problem

In today's world, the purchasing system is one of the most important factors that affect greatly the profitability of the organization. Effective purchasing can contribute significant importance to the success of organization. Since deficiency in purchasing result in deficient service or product, which leads to unnecessary costs, every organization should follow a well-organized purchasing system.

Bank of Abyssinia has purchased a total amount of birr 15,765,487.00 for the year 2000 up to 2002 E.C. (Annual report 2007/08-2009/10). This implies that the bank has invested large amount of money for purchasing. The bank purchase from domestic market like office furniture, equipment, stationary material, uniform cloth for its non-clerical employees and etc. These purchased goods and services are distributed to the users as required. Therefore the efficient performance of these activities has a great role for the success of the bank.

In the bank however, the following problems are identified as the major problem of purchasing activities. Goods purchased by the purchasing division of the bank are delayed for long time. On the other hand the quality of goods purchased is less quality and also have low durability, these contributing to the lack of smooth operation of the bank. These problems are observing in main branches and departments of the bank and also see like UPS and stationary materials are stored in the office.

1.3. Basic Research Questions

The study answered the following basic research questions.

1. What are the major problems in the purchasing procedures?
2. To what extent purchasing procedure and practice are transparent?
3. What is the degree of the participation of technical persons in the purchasing committee? (a person who evaluate and examine technical aspects of purchasing of computer, printer, UPS etc)

1.4 Objectives of the Study

The objective of this research includes both general and specific objectives to assess purchasing practices of Bank of Abyssinia.

1.4.1. General Objectives of the Study

The main objective of this study is to assess purchasing practices of the Bank of Abyssinia and come up with possible solution and recommendations.

1.4.2 Specific Objectives of the Study

- To identified the major problems in purchasing procedures of the Bank.
- To evaluated transparency of the purchasing procedure and practice of the Bank.
- To assess the role of extent of a participation of technical persons in purchasing activities of the bank.

1.5. Significance of the Study

The student researcher believed that, this study has the following significances: to identified weakness and create awareness to the management of the bank, provides feedback for the purchasing division of the bank about their operation and improving the future activities; invite other researchers to make further investigation on such area; and moreover, this research will help the researcher to obtain fulfillment of the BA degree and have an experience.

1.6. Delimitation of the Study

The scope of the study was confined to the investigation of the purchasing procedures and practice of the Bank for the last three years of period cover from 2000 up to 2002 E.C. To make the study manageable the research conducted in the bank head office located at Addis Ababa.

1.7. Research Design and Methodology

1.7.1 Research Design

This study used a descriptive research design to describe the purchasing procedures and practice of the bank. It helps to describe the purchasing situation of the bank looks like.

1.7.2 Population and Sampling Techniques

In Bank of Abyssinia headquarter there are a bout 150 permanent employee. Out of the total population the researcher used 30% of the population which is 45 employees selected as a sampling element. This sample size is selected for proper representation of the total population. The researcher prefer head office to conduct this research because of more relevant informations get from different departments at one place.

1.7.3 Sampling Techniques

Sampling techniques used for this research was stratified and simple random sampling to selected the sample respondents. Thus, the respondents were categorized by departments. These sampling techniques were used because of heterogeneous type of population. It helps dividing population into homogeneous sub group (departments). It is also given to all items in the population to have equal chance of being selected as sample and avoiding bias in sample selection.

1.7.4. Types of Data Collected

The researcher used two types of data for the study. Primary source of data used for collecting direct related information with the research study. Secondary data source is to make comparison with the primary and to identified the gap between practice and theory. The reason used both type of data it helps to meet objectives research and to answer the basic research question of the study.

1.7.5. Method of Data Collection

The questionnaires distributed to 14 staffs of General Service and Property Administration Division and 31 staffs of user departments in head office of the bank. Beside this conducted interview with two staffs of General Service and Property Administration Division. Secondary data collected by referring different documents, published and unpublished materials of the Bank.

1.7.6. Method of Data Analysis

Processed data collected through questionnaire, interview and secondary data. Then cleaned, edited and cross checked validity of the data. After cleaning the data present in tabular form and analyzed data by using percentage. Finally interpret the result in descriptive statistical tools method.

1.8. Limitation of the study

There were some factors that affected the study not to be carried out as expected. Among these factors Lack of experience, unwillingness of some employees to give information and lack of time and resource constraints are the majors.

1.9. Organization of the Study

This research paper had four chapters. The first chapter is the introduction which incorporated background of the study, statement of the problem, research questions, objectives of the study and scope of the study, the research methodology, Limitation of the study and organization of the study. Chapter two review of related literatures and different writers deal with the concept. Chapter three presents the results and discussions of the research findings. It presents analysis and interpretation the data collected during the study. Finally, the last chapter deals with summary of findings, conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 An Overview of Purchasing

Over a period of time purchasing has evolved from being little more than a clerical function to its present status as part of management. Like wise, the term “purchasing” has evolved to encompass much more than the concept of “buying”. Today’s purchasing manager or agents are involved in planning, organizing and controlling of every aspect of purchased items. (George W. 1973:1-6)

More major changes have occurred in business and industry during the past few year than in the two preceding decades. World class competition, criticality of product/marketing timing, environmental objectives, price based costing, escalating customer demands and the tremendous emphasis on equality are but a key of the key challenges confronting most of U.S. firms today. These development in turn, have had a monumental important on the purchasing function in most organizations. (Burt N. D and Dobler W.D 1996: 1)

Is purchasing a professional? Emphatically Yes! professional purchasing /procurement/ supply management personal contribute at least as much to the success of their organizations as other professionals in areas such marketing, finance and accounting , and operation. (Burt N. D and Dobler W.D 2006:23)

Inscribed bad clay tables from the 13th century BC days of the Phoenician traders refer to persons serving as “purchasing agent.” The Holy Bible, in the book of Deuteronomy, provides instruction for buyers in the honest use of weight and measures. Ancient purchase orders, written on parchment scrolls in the day of Julius Caesar, call for delivery of amphora’s of wine, honey and oil. (Burt N. D and Dobler W.D 2006:24)

In recent years purchasing has been changing in many companies. This is reflected in the increased attention this discipline is receiving from the industrial mangers and practitioners. Considering the amount of money generally include in the preparation and execution of purchasing decision, this is not so strange. An effective and efficient operating purchasing function can make an important contribution to company results.

However, there is more, as a result of the implementation of improvement programs in engineering, manufacturing and logistics management, many companies feel the need for improved relationships with suppliers. These relationships should result in engineering lead-time reduction, just in time delivery and zero defects on new and existing incoming parts. The purchasing department is the intermediary, which records the agreements with suppliers on their fulfillment. (A.J Van Weel, 1994:1)

2.2 Definition of Purchasing

“Purchasing” refers to the function of procuring of materials, supplies, machines, equipments, tools, spare parts and services required for meeting the needs of production department. (Bhat K. S 2003:461)

Purchasing implies the act of exchange of goods and services for money whereas procurement is a genuine term with a wider connection for the total responsibility of acquiring goods and services. In its narrow sense, “purchasing” refers to merely to the act of buying an items at a price. In a broader sense, purchasing is a managerial activity involving planning and policy formulation, research and development strategies required for the proper selection of materials and sources of supply, negotiating with supplies for best price terms, placing purchase orders follow-up to ensure timely delivery, co-ordinating with other departments, viz, receiving, inwards inspection, stores and accounting (bills payable section). (ibid)

2.3 Importance of Purchasing

Purchasing is a basic function of any organization. Purchasing function is a major importance. Purchasing department is responsible for purchasing materials of right type, in right quantities, at the right price, made available at the right time and procured from the right supplier. (J.H Westing et al 1983:3)

Purchasing can effectively contribute to import substitution and thereby saving the nation’s precious foreign exchange resources. Purchase managers are continuously aware of external industrial activities and are able to gather vast information regarding

new products, materials, equipments, machinery, tools and processes for the benefit of their firms. (Ibid)

Purchasing function has a crucial role in the completion of major projects undertaken by a firm. Any delay in procurement of materials for the project will eventually cause delay in completion of the project. (Bhat K. S.2003:463)

2.4 Objectives of Purchasing

The overall objective of purchasing is understood as buying materials of the right quality, in the right quantity, at the right time, at the right price and from the right source. This objective indicates broadly the scope of purchasing function which also involves policy decisions and analysis of various alternative possibilities (such as make-or-buy or evaluating alternative vendors) before the act of purchase. (Bhat K. S 2003:464)

Creation of a purchasing department represents a recognition of purchasing as an organized activity. Organized activities are characterized by their discernible objectives. Purchasing activities in order to make an effective contribution to the institution of which they are part, must be attuned to and oriented toward the overall objectives of the organization. (Aljian 1973:19)

From the operational or functional perspective, then it is necessary to probe more deeply to develop a set of statements that provide practical and useful targets for decision making purpose. In these sense the eight basic objectives of purchasing are identified. (Burt D. N and Dobler W.D 1996:41-44)

1. To support company operations with an uninterrupted flow of materials and suppliers.
2. To buy competitively
3. To buy wisely
4. To keep inventory investment and inventory losses at a practical minimum
5. To develop effective and reliable sources of supply.
6. To develop good relationships with the supplier community and good continuing relationships with active suppliers.
7. To achieve maximum integration with other departments of the firm

8. To handle the purchasing management function proactively in a professional, cost-effective manner.

These objectives apply in principle to all categories of industrial buying activities manufacturing concerns, governmental units, schools, hospitals and all other types of buying units that buy for consumption or conversion.

According to Baily Peter has suggested purchasing objectives (Baily Peter 1997:14)

1. To supply the organization with a steady flow to meet its needs.
2. To ensure continuity of supply by maintaining effective relationships with existing sources and by developing other sources of supply either as alternatives or to meet emerging or planned needs.

According to (Burt D.N and Dobler W.D 1996:41-42) viewed purchasing objectives from three levels.

1. From a very general managerial level
2. A more specific functional or operational level
3. A detailed level at which precise strategic buying plans are formula.

From the top managerial perspective, the general objective have traditionally been expressed as the five right that the department to achieve.

2.5 Purchasing as a Function of Business

Purchasing is one of the basic function common to all types of business enterprise. These functions are basic because no business can operate without them. All business are managed by coordinating and integrating these six functions: (Nair N.K 1996:127)

- ↻ **Creation**, the idea or design function, usually based on research.
- ↻ **Finance**, the capital acquisition and functional planning and control function.
- ↻ **Personnel**, the human resources and labor relations function.
- ↻ **Purchasing**, the acquisition of required materials, services and equipments.
- ↻ **Conversion**, the transformation of materials into economic goods and services.
- ↻ **Distribution**, the marketing and selling of goods and services produced.

2.6 Functions of Purchasing

The purchasing function comprises the essential activities associated with the acquisition of the materials, services and equipment used in the operation of an organization. (Ibid)

The major types of activities are:

1. Coordination with user department to identify purchase needs
2. Discussions with sales representatives
3. Identification of potential suppliers
4. The conduct of market studies for important materials
5. Negotiation with potential suppliers
6. Analysis of proposals
7. Selection of suppliers
8. Issuance of purchase orders
9. Administration of contracts and resolution of related problems
10. Maintenance of a variety of purchasing records

According to N.K Nair N.K 1996 function of purchasing is to procure against purchase requisitions received from stock control or other departments. It keeps record of the sources of supply of various items, buy vary often new sources will have to be developed. Prices of several items are negotiated and predetermined, but for other tenders are invited on receipt of purchase requisition. The quotations are tabulated and approved in accordance with the procedure laid down by the management. Orders are placed on the basis of quality, price, delivery time etc. (Ibid)

The responsibility of the purchase section does not stop at placing orders. It has to ensure that the items do arrive at the right time. Various follow up methods are used for this purpose. It also contributes to cost reduction through value analysis, standardization, etc. (Nair N.K 1996:4-5)

2.7 Function of Purchasing Department

It is entrusted basically with the procurement duty. The functions of purchasing department is to procure the needed materials, supplies, machinery tools and services at an ultimate cost consistent with economic conditions surrounding the item being purchased, while safe guarding the standards of quality, continuity of service, competitive

position and the company reputation for fairness and integrity. The purchasing department must also ensure that it does not violate the laws governing commercial transactions. (Bhat K.S 2003:462)

2.8 Parameters of Purchasing

Right Price Purchasing an item at the right price is the primary concern of purchase department. But right price need not be the lowest price. While it is difficult to determine the right price, the cost structure of the product can be used as a guide to arrive at the right price. In the “tender system” of buying used in public sector organizations, the objective should be to identify the lowest responsible bidder and not the lowest bidder, for purchase decision. If the labour content of the purchased item is high, then the concept of “Learning curve” helps to determine the right price on the basis of evaluation of prices offered by alternative suppliers. In addition, prices can be kept low by proper planning and not by “rush” buying or “crisis” buying. (Bhat K.S 2003:466)

Right Quality Quality of product depends of the quality of its inputs i.e. raw materials, parts and components that build the product as well as the quality of manufacturing processes used to covert the input into outputs. Quality of the outputs depends on quality of design and quality of conformance. The design specifies the quality characteristics or specifications of raw materials and components and purchase department ensures that these quality specifications are met by the materials purchased by it. (Bhat K. S 2003:466)

Also, since the quality of the product depends on quality at source, i.e. the quality has to be ensured right at the input materials stage. This means the purchase department has to ensure the input quality while buying the materials from the suppliers because the product quality very much depends on quality of inputs. (Ibid)

Right Quantity This is the most important parameter in buying because both over ordering or under ordering increase costs of inputs. Over ordering increases inventory carrying costs whereas under ordering results in idling of machines and labour and stoppage of production due to storage of materials. Concepts of economic order quantity (EOQ) economic purchase quantity, inventory control techniques such as fixed order

quantity, system (Q system) and fixed order period system (P system) etc., serve as guidelines for processing the right quantity of materials. But the buyer has to use his knowledge, experience and common sense to determine the quantity to be bought after taking into consideration factors such as price structures, discounts, availability of the item etc. The purchase manager has to take two important decisions while buying: (i) How much to buy? (ii) When to buy? (Bhat S.K. 2003:466)

Right Source The source of supply of material should be dependable and capable of supplying materials of uniform quality. The buyer should decide which material should be directly purchased from which supplier/manufacturer. Aspect such as source development and vendor rating help buyer to choose the right source. Right source also requires the analysis of transportation costs along with basic price to choose between a local supplier and a distant supplier.(Ibid)

Right Time For determining the right time to purchase, the buyer should have information regarding lead time for all times to be purchased. Lead time is the total time elapsed between the recognition of the need for a time till it arrives and is made available for use. The buyer should negotiate with suppliers to reduce the lead time for supply of materials. The buyer should have contingency plans when the suppliers are not able to supply materials within the promised lead time due to uncontrollable factors such as strike, lockout, floods, earth quakes etc. .(Ibid)

Right Transportation The buyer should decide about right mode of transportation, trading off between time needed for transportation from supplier's premises to the buyer's premises and the transportation costs. The buyer should have knowledge of alternative transportation modes and their costs, schedules, merits and demerits and should seek constant improvement in transportation, achieving greater speeds and better quality of service and at the same time with reduction in transportation cost. (Bhat K.S 2003:467)

Right Place of Delivery The supplier should try to arrange supply of materials directly to the consuming units or department so that remanding of materials is reduced to the minimum. (Ibid)

Right Procedure The buyer should develop the right procedure to be used at the pre-purchase, ordering and post-purchase stages of the purchasing activity. In the pre-purchase stage, purchase is initiated through requirements of indents, planning the source, selecting the supplier, obtaining quotation, making comparative study of the quotation for evaluating the suppliers and selecting the best among them. In the ordering stage, the purchase order is sent to the supplier along with an order acknowledgement copy which should be duly signed by the supplier and sent back to the buyer as a token of acceptance of the purchase order. This also indicates acceptance of the suppliers to abide by the terms and conditions mentioned in the purchased order to the post-purchase stage, the buyer will send a copy of the inspection cum receiving report to the suppliers for the purpose of submitting his/her bills for payment for the materials supplied. (Ibid)

Right Contract Since purchase order is a legal document which binds the supplier and the buyer firms, the buyer should clearly indicate various terms and conditions regarding insurance, sales tax, custom duties, breach of contract, settlement of dispute etc., in the purchase order or in the purchase contract executed between the buyer and supplier. (Ibid)

2.9. Purchasing Methods and Techniques

Before discussing the various purchasing methods and techniques, it is necessary to have the knowledge of purchasing policies and how the purchasing department is organized to achieve the objectives of purchasing within the guidelines set by purchasing policies.

(Kenneth Lyons 1996:48)

2.9.1. Purchasing Policies

A policy is a statement that describes in very general terms an intended course of action. (Burt D. N and Dobler W.D 1996:45)

Every organization needs purchasing guidelines within which purchasing decisions are made and the day-to-day activities of the buyers are carried out. Well-established purchasing policies reduce the number and complexity of the purchasing of the

purchasing decisions that must be made by the buyers and ensure a reasonable uniformity of action. (Bhat K.S 2003:468)

Purchasing Policies define the basic decision of top management as they relate to buying actions, whether first time or repetitive. In most companies, the following areas are covered by policy statements: (Ibid)

- i. A definition of authority and responsibility for purchasing
- ii. Relationship with vendors/suppliers.
- iii. Treatment of sales representatives of vendor/supplier firms.
- iv. Proper handling of competitive bidding.
- v. Proper handling of vendor technical service and design work
- vi. Reciprocity
- vii. Employee purchases
- viii. Ethical practices in purchasing

2.9.2. Purchasing Manuals

Purchasing manuals are designed to avoid conflicts between departments, to clarify responsibility, and to provide consistent instructions covering the regular activities of the purchasing department. Two types of purchasing manual are:

1. The policy manual and
2. the procedures manual

These manuals may be issued separately or together. (Bhat K. S 2003:476)

Policy Manual

Is a written statement of the company's general purchasing policies for by all concerned, both inside and outside the company copies of the purchasing policy manuals may be issued separately or together. (Ibid)

A policy is a communication an important one. It is important that the message reach those who are to receive it as clearly and accurately as possible. (Burt D. N and Dobler W.D 1996:57)

Policies are the general guidelines designed to assist these decision maker as they develop plans to "Zero-in" on their moving target. The policies channel their actions as

well as those of their no-purchasing colleagues, toward attainment of the desired objectives. (Burt D. N and Dobler W.D 1996:59)

Procedures Manual

Is a detailed precise statement of the intra-company procedural responsibilities. This helps to ensure that all repetitive actions carried out in the purchasing department will be performed in a consistently efficient manner. (Ibid)

2.10 Purchasing Systems

Almost all buying situations involve a complex set of conditions under which the purchase must be made. Many approaches to the buying decisions have been developed and used by the skillful buyer. The buyer is required to have thorough knowledge of all the methods and techniques of purchasing and ability to apply the most appropriate one to a given situation. The key factors are timing, quantity and duration of the commitments whatever may be the approach to purchasing. The various purchasing systems and method are discussed in the following paragraphs. Purchasing systems are classified into three: (Bhat K. S 2003:476)

2.10.1. Pre-purchasing System

This involves initiating the purchase through purchase requisitions, requirements programs, selection of suppliers obtaining quotations and evaluating them. The department which is in need of a material usually presents a completed purchase requisition form indicating the description of materials, quantity required, suggested supplier and the approximate date when materials is required. The requisition prepared by the purchasing clerk or purchasing assistant has to be countersigned by a purchase executive or purchase manger depending of the value of the materials to be purchased. It may be noted that capital equipments can not be requisitioned in their manner as they require the sanction of the top management. (Bhat K.S 2003:477)

2.10.2. Ordering System

After selecting the supplier and rates are agreed upon by both buyer and supplier, the buyer places the purchase order on the supplier indicating the terms and conditions of

purchase. The purchase order once accepted becomes a legal contract which is binding on both supplier and buyer. (Ibid)

2.10.3. Post-purchase System

This system includes follow-up procedure, receipt and checking invoices with purchase orders. (Ibid)

2.11 Methods of Purchasing

According to Bhat K.S there are many methods of purchasing. Among these listed below some of the methods.

I. Purchasing by Requirements

This means that no purchase is made until a need arises and then the quantity bought covers only the current need. This method applies to emergency requirements or to infrequently used goods which would not be stocked. This kind of purchasing requires good relationships with vendors who are dependable and fill such orders promptly. Manufacturers of specialty products produced on contract to customer specifications may use this type of routine purchasing. (Bhat K. S 2003:478)

II. Contract Purchasing

Contract purchasing offers advantages comparable to those of speculative purchasing. By a contract calling for deferred delivery over a period, advantages can be had of low prices in effect on materials at the time of placing the contract while spreading delivery of materials over a schedule consistent with estimated future requirements. Thus, the price advantage is obtained without adding unduly to inventory. (Ibid)

III. Group Purchasing

A number of small items can be purchased as group which offers the possibility of large savings. When the items are small and of trivial value, the cost of placing an order often exceeds the value of items purchased. Hence, such items are better bought under the method of "group purchasing". In this practice, arrangements may be made to send orders for all group items to a single supplier who agrees to handle and bill them at a fixed

percentage of profit above cost, his cost records being open to inspection by the buyer on demand. (Bhat K.S 2003:479)

IV. Scheduled Purchasing

If purchasing of materials on a regular basis and in large quantities can be scheduled properly, then there would be large savings. This method reduces investments in inventory. The suppliers are given approximate estimate of purchase requirements over a period of time. This helps suppliers to be in a position to anticipate orders and be prepared to fill them when received. (Ibid)

V. Tender Buying

This method (also known as tender system) is adopted to procure materials at the most competitive rates and to eliminate chances of undue favour to any supplier. The prime objective is to avoid negotiation and give equal opportunity for all vendors. It is usually adopted the government departments and public sector undertaking to choose the best supplier without any bias. Usually very high value items are bought by tendering method by private sector organizations. (Ibid)

VI. Just in time Purchasing

Also known as stock less purchasing or “zero stock” purchasing. In this system, a blanket order is placed on the supplier for the annual requirement of an item at a firm price. Whenever the item is needed the buyer informs the supplier over phone about the quantity to be delivered at a particular date of need of the item. The buyer may provide some storage area in his organization to the supplier to keep the stocks under his (supplier's) ownership and supply the items as and when the need arises. (Ibid)

2.12 Organization of Purchasing

Purchasing organization are usually identified as centralized, decentralized or departmentalized. Although these items are sometimes used to refer to physical location of purchasing people, their more common usage is concerned solely with the location of purchasing authority. (Burt N. D and Dobler W.D 1996:23)

2.12.1. Central Purchasing

Responsibility for purchasing function should be centralized whenever it can be done without sacrificing the efficiency due to restriction of local initiative. (Bhat K.S 2003:483)

Advantages of Centralization

- i. Undivided responsibility
- ii. Consistent purchasing policies and
- iii. High degree of purchasing power.

According to Dobler benefits of centralized purchasing listed below.

1. Duplication of effort and haphazard purchasing practices are minimized by central coordination of all company purchases.
2. Volume discounts are made possible by consolidating all company orders for the same and similar items.
3. Transportation savings can be realized by the consolidation of orders and delivery schedules.
4. Centralization develops purchasing specialists whose primary concern is purchasing with training, purchasing specialist inevitably buy more efficiently than less skilled individuals who view purchasing as a secondary responsibility.
5. Suppliers are able to offer better prices and better service because their expenses are reduced.
6. More effective inventory control is possible because of company wide
7. Line department managers don't have to spend time for purchasing.
8. Fewer orders are processed for the same quantity of goods purchased, thus reducing purchasing, receiving, inspection, accounts payable and record keeping expenses.
9. responsibility for performance of the purchasing functions is fixed with a single department head, thereby facilitating management control.

Centralized purchasing exists when the responsibility for the entire purchasing functions is assigned to a single individual. This person is accountable to management for proper

performance of the purchasing function regardless of where the actual buying may take place. (Aljian 1973:175)

Centralization of purchasing is concerned solely with the placement of purchasing authority. It has nothing to do with the location of buying personnel. It exists when the entire purchasing function is made the responsibility of a single person. (Burt D. N and Dobler W.D 1996:25)

2.12.2. Decentralized Purchasing

When manufacturing plants are widely dispersed geographically and manufacture different products having different materials requirements, decentralized purchasing is better than centralized purchasing. In such cases each manufacturing plant will have its own purchasing department. The purchasing manager directly reports to the chief executive of the plant or to the general manager (materials management). But the individual purchase department of various plants will have functional relationship with director (materials management) at the corporate management level. The corporate director for materials management will establish and enforce general purchasing policies and procedures for all the purchase departments of different plant of the organization. (Ibid)

Decentralization of purchasing occurs when personnel from other functional areas decide unilaterally on sources of supply or negotiate with suppliers directly for major purchases. (Burt D. N and Dobler W.D 1996:28)

According to (Aljian 1973:45) Decentralization of purchasing exists when all departments personnel do their own buying or perform any other purchasing function. This type of decentralization tends to produce duplication of effort, inefficiency and outright waste.

2.12.3. Centralized - Decentralized Purchasing (Departmentalized)

Many firms operating several plant whose geographical location may not be too widely scattered and whose product and materials requirements may cover a large number of similar parts and materials used in common in larger quantities, may adopt centralized decentralized purchasing approach. (Bhat K. S 2003:484)

A general purchasing department may be setup to establish general purchasing policies and to do actual buying of common parts and materials and also to supervise and direct the work of local purchasing departments which are set up at each plant. (Ibid)

Neither completely rigid centralization nor loose decentralization of purchasing seems to meet the needs of all companies. Although there are advantages to both methods of organization, many disadvantages exist. The solution to the problem presented by either extreme centralization or extreme decentralization is to be found in a centralized executive or in corporate staff control of purchasing policies and administration, with decentralization of purchasing operations. (Aljian 1973:61)

2.13 Purchasing in Services

Purchasing function in service is far less visible to management than other companies, that is why the development of purchasing management in service companies has lagged behind that in other enterprises. This picture is gradually changing for three reasons:

1. the tendency nowadays to outsource support activities;
2. the trend towards facilities management that can be observed, and
3. the increased scale of operations of many services organization.

These developments have in general increased the need for a professional purchasing approach. As a result many service companies have built up separate purchasing department within their organization. (Burt D. N and Dobler W.D 1996:409)

Developing a professional purchasing approach in service organizations is far from simple matter. An important reason for this is that top management frequently fails to support and control purchasing procedures. This explains the freedom exercised by departmental managers in purchasing matters. (Burt D. N and Dobler W.D 1996:61)

2.14 Purchasing Procedures

Recognition of the need

The need for a purchase typically originates in one of a firms' operating dep't or in its inventory control section. The purchasing dep't is usually notified of the need by one or two basic methods. (Burt D. N and Dobler W.D 1996:62)

1. Standard purchase requisition

Standard purchase requisition is an internal document, in contrast with the purchase order which is basically an external document. Most companies used a standard, serially numbered purchase requisition form for requests originating in the operating dep't. the user generally makes a minimum of two copies. One copy is sent to purchasing department; the other is retained in the using dep't file. Some companies use an many as nine copies of the requisition for communication with other interested dep't. Purchase requisition format vary widely because each company designs its format to simplify its own particular communication problems. The essential information which every requisition should contain, description of materials, quantity, and date required, estimated unit cost, operating account to be charged, the date and authorized signature. (Burt D. N and Dobler W.D 1996:64)

2. A materials requirement planning (MRP) schedule

When a design engineer completes the design of a part or an assembly, he or she makes a list of all the materials and quantity of each required to manufacture the items. This list is called an engineering bill of materials. In firms using computerized production and inventory planning systems, such as MRP system, the Engineering bill of materials is first reconfigured into structured multilevel bill of materials. This structured bill of materials for each item being manufactured can then be used in determining specific materials requirements for a given production schedule during a specific time period. (Burt D. N and Dobler W.D 1996:64)

Definition and Description of the need

The point to be understood here is that clear, compete, appropriate definition and description is a joint responsibility of the user and the buyer. One of the reasons why every purchase authorization document should be approved by designated departmental supervision is to insure that it is initially reviewed by qualified individuals and subsequently comes to purchasing in correct from. (Ibid)

The Stock Check

With the exception of repulsions that originate in the inventory control section, when purchase requests arrive in the purchasing dep't they are checked to see if the requested items are carried in stock. In many case, a buyer can tell simply by looking at the requisition whether it involves a stock materials. In adequate materials stock is on hand, no purchasing is necessary. (Ibid)

Supplies Selection and Preparation of Purchase order

As soon as need has been established and precisely described, the buyer begins an investigation of the market to identify potential sources of supply. In the case of routine items for which the supplier relationships have already been developed little additional investigation may be required to select a good source. (Ibid)

The purchase of a new or a high value item, on the other hand, may require a length invitation of potential suppliers. If the items to be purchased is complex or highly technical, the firm may utilize across functional sourcing team, first to qualified potential suppliers and perhaps eventually to make a team decision about the most desirable supplier. (Ibid)

After qualifying a preliminary group of potential sources, the buyer may employ the techniques of competitive bidding or negotiation or both. (Ibid)

Once the supplier has been selected, the purchasing department prepares and issues a serially numbered purchase order. In most cases the purchase order becomes a legal contract document. For this reason, the buyer should take great care on preparing and wording the orders. Quality specifications must be prescribed. (Burt D. N and Dobler W.D 1996:72)

Purchase order is the purchaser's commitment for the value of the goods ordered. It is essentially a legal document. When the order is written as an acceptance of or an offer, a contractual relations established upon its issuance. This does not hold if the supplier quotes on his own form and its conditions differ form those on the purchase order. When there is no proposal from the supplier, of if he has made an offer under different

conditions, the purchase order itself is an offer to contractual relation, which is completed by an acknowledgement or acceptance by the supplier. (Ibid)

The purchase order should be in writing to provide a written record of the purchase agreement and to provide information to other departments concerned with the purchase transaction. (Aljian 1973:70)

Acknowledgement and Follow-up of the order

In most cases the original copy of the purchase order which is sent to the supplier constitutes a legal "Offer" to buy. No purchase "Contract" exists, however until the seller accepts the buyers offer. (Burt D. N and Dobler W.D 1996:68)

Receipt and Inspection

The next step in traditional purchasing cycle is receipt and inspection of the order. When a supplier ships materials, it includes in the shipping container or packing slip which items and describes the contents of the shipment. The receiving clerk uses this packing slip in conjunction with his or her copy of the purchase order to verify that the correct materials has been received. (Burt D.N and Dobler W.D 1996:72)

2.15 Purchasing Performance of BOA

Purchasing of Materials

The decision for the purchasing of materials emanates either from the General Service and property Administration Division, when there is a need to replenish stock of materials to maintain optimum stock level or from other departments and branches through written requisitions.

The General Service and Property Administration Division maintains a list of qualified suppliers as well as current prices prevailing in the market.

All purchases are made by issuing purchase orders. However a petty cash of Birr 1,000.00 will be kept by the Division Manager for small purchases that do not warrant the processing of purchase orders. Normally, the value of purchase to be made without issuing a purchase order is not exceeded Birr 300.00 per one time purchase. Manager of

the General Service and Property Administration Division is responsible to authorize such purchases.

Purchase of Services

When the Bank is in need of construction or maintenance (at the time of opening no. of new branches and counter and partition works the Bank's Engineer is involved in such purchases of service

Members of the Tender Committee

1. Director, Human Resource & Administration Department Chairman
2. Director, Branch Operations Department Member
3. Director, Finance and Accounts Department Member
4. Manager, Chief Internal Auditor, Auditor
5. Manager, General Service & Property Administration Secretary

Tender processing

When the amount of the purchase of materials or services is significant, tender will be issued to competitive suppliers or contractors available.

All purchases of materials and services estimated below 1,000,000 is solicited through restricted tender invitation. All those above birr 1,000,000 is the subject of tender notices in the local press. Invitation is sent in closed envelope to select and competent suppliers and/or contractors who are in the Bank's short list. (Manual 2001:1)

Tender Opening

All tender documents are opened on the tender opening date and time in the presence of all members of the tender committee. Interested bidders can also attend the tender opening process.

Tender documents that meet the specific requirements will further be analyzed either by the Manager of General Service and Property Administration Division or by the consultant Engineer or Architect as the case may be. The tender committee will assess

the tender analysis and decides on the awarding of contracts to the preferred supplier or contractor.

BID/ Performance Bonds

Bidders may be required to include Bid Bond &/or performance bond in a form of surety bond or certified cheque in a sealed envelope with the offer documents.

The Bid Bond/performance Bond received is recorded on the bid analysis from by the tender committee and retained by Head of Audit Division they are refunded to the Bidders.

Either Director, Administration Dep't or the Consultant Engineer decide on the necessity of a bid bond for tenders to be issued. Minimum rate of a Bid bond is 1% of the construction/maintenance cost or price of materials to be purchased.

A performance bond is required only for values of construction/ maintenance work or materials to be purchased above Birr 100,000,000. Its rate is 10% of the construction/maintenance cost or value of materials to be purchased. (Manual 2001:10)

Processing of work and Purchase orders

Work orders are issued to contractors for construction and maintenance works. It sued for works that don't require detailed specification and can be obtained in the work order. Projects that entail a lot of specifications and bill of quantities will be covered under contract agreements. Whereas, purchase orders are issued to suppliers for purchase of materials. Both are used:

- To provide written confirmation of orders of the bank's requirement to the contractor and the supplier as the case may be.
- To provide the bank with a record of orders placed.
- To facilitate authorization and control of payment for services and materials purchases.

On the back of all copies of both work and purchase orders terms and conditions are preprinted as follows:

i. Work order

- All works should be done according to specifications given on the work order
- Departure from agreed specifications can be made only with prior written consent of the Bank's Consultant Engineer.
- Payments should be made as and when the work is completed to the Bank's satisfaction and upon presentation of contractor's invoice in duplicate unless otherwise mutually agreed upon.
- The Bank reserves the right to reject completed work fully or partially for reasons of unsatisfactory workmanship or inferior quality of materials used for the work done.

ii. Purchase order

- All goods should be supplied strictly in accordance with the agreed specifications spelt out on this order.
- Departure from agreed upon terms and conditions regarding prices, quality, quantity, specifications and delivery of materials without prior consent of the Bank is invalid.
- Seller's invoice in duplicate, shall accompany goods delivered & shall refer to the bank's order number.
- Payment is made upon delivery of materials to the Bank's satisfaction and presentation of supplier's invoice in duplicate unless otherwise mutually agreed upon.
- The Bank reserves the right to cancel partially or fully an order for reasons of late delivery & / or inferior quality of goods delivered.

Upon receipt of the Bank's order the contractor or supplier sign on all copies of the work/purchase order as acknowledgement of the acceptance of the banks order.

Distribution of work/purchase orders

The work/purchase orders are printed in one original three copies, which are distributed as follows.

Original – white – to be given to contractor/supplier

1 st copy- yellow	It is an Accounting copy It is retained by the originator until completion of work/receipt of materials, then will serve as instrument of payment.
2 nd copy- Blue	In the case of purchase of materials, this copy is forwarded to the receiver of materials who keeps it in a separate file and later use it for verifying actual materials received with the specifications given. In the case of construction/maintenance work, this copy is filed and used as a reference by the consultant engineer who is responsible for supervising the construction/maintenance work.
3 rd copy- pink	to be kept in file of the originating unit by order of sequence. (Manual 2001:23)

Cancellation of Work/Purchase orders

When work or Purchase orders are cancelled all copies are stamped CANCELLED and filed by the originating unit by numerical sequence with the file copies of the utilized work or purchased orders.

Payments of Work/Purchase orders

After the completion of work or supply of materials, the contractor or the supplier will submit invoices for payment. The invoice should be signed and sampled by the originator and should refer to the serial numbers of the work or purchase order.

Inspection of Work/Materials

Upon the completion of construction or maintenance work and /or receipt of materials, the Consultant Engineer or Architect or the General Service Officer inspects that work performed or materials received are in line with specifications given in the work/purchase order. After inspections have been done a partial or full payment will be effected.

CHAPTER THREE

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This part of the paper presents the fact regarding the purchasing practice of bank of Abyssinia. The facts include primary and secondary data. Primary data were collected through questionnaires and interview. Accordingly questionnaires were designed and distributed to 45 employees of which 38 employees responded.

3.1 Background Information

Table 1: Background of the Respondents

Item No.	Items	Alternatives	Respondents of GSPAD		Respondents of Users Dep't	
			Frequency	%	Frequency	%
1	Gender	Male	8	57.1	14	58.3
		Female	6	42.9	10	41.7
		Total	14	100	24	100
2	Age	Below 25 years	1	7.2	2	8.3
		26-35 years	7	50	9	37.6
		36-45 years	3	21.4	11	45.8
		Above 45 years	3	21.4	2	8.3
		Total	14	100	24	100
3	Educational level	12 complete	-	-	-	-
		Certificate	2	14.4	4	16.7
		Diploma	6	42.9	10	41.7
		BA degree	6	42.9	9	37.5
		Maters and above	-	-	1	4.2
		Total	14	100	24	100
4	Marital statues	Single	5	35.7	9	37.5
		Married	9	64.3	13	54.2
		Divorced	-	-	-	-
		Windowed	-	-	2	8.3
		Total	14	100	24	100
5	Service years	Less than three year	2	14.3	3	12.5
		3-5 years	4	28.6	8	33.3
		6-10 years	6	42.9	10	41.7
		Above 10 years	2	14.3	3	12.5
		Total	14	100	24	100
6	States (Responsibility)	Member of Management	1	7.1	8	33.3
		Operational workers	13	92.9	16	66.7
		Total	14	100	24	100

Source: Compiled from questionnaire

From the above table 1 item (1), it can be observe that 14(36.8%) of the respondents from staffs of General Service and Property Administration Division whereas 24(63.2%) of the respondents from user departments of head office of the bank.

Majority 24(63.2%) of the respondents are from users departments. This implies that more number of respondents from user departments. Hence with greater degree of confidence respondent can say something about purchasing practice of the subject of the study.

In relation to gender distribution 8(57.1%) of the General Service and Property Administration Division respondents were males and the remaining 6(42.9%) were females. And also from user department respondents 14(58.3%) of them were males and 10(41.7%) were females.

From both respondents 8(57.1%) and 6(58.3%) majority of respondents were males. From this data, we can understand that gender distribution of the respondents male dominated.

From table 1 item (2) observe that respondents from General Service and Property Administration Division 7(50%) age between 26-35 years, 3(21.4%) of respondents from age in between 36-45 years, 3(21.4%) of respondents age above 45 years and the remaining 1(7.2%) age below 25 years. And also from user departments respondents 11(45.8%) age in between from 36-45 years, 9(37.6%) of the respondents from 26-35 years and the remaining 2(8.3%) of respondents below 25 years and the remaining 2(8.3%) above 45 years.

From both respondents categories 13(92.8%) and 22(91.7%) majority of the respondents were age between 26-45. This indicates that majority of the respondents were matured to provide valuable response to the questioners raised and better knowledge of past events.

As we can see from the above table 1 item (3) educational background of 6(42.9%) of respondents from General Service & Property Administration Division Degree

holders, 6(42.9%) of the respondents Diploma holders, 2(14.4%) of the respondents Certificate holders. From user department 10(41.7%) respondents Diploma holders, 9(37.5%) of respondents Degree holders, 4(16.7%) of respondents Certificate holders and the remaining 1(4.2%) of the respondents are Master and above.

The above data implies that from both categories respondents 6(42.9%) and 10(41.7%) majority Diploma holders. This indicated that manpower of the bank is build in well educated and potential skilled employees.

From the above table 1 item (4) martial status of the respondents indicated that 9(64.3%) are marred and 5(35.7%) of respondents of General Service & Property Administration Division are single. And also 13(54.2%) of respondents are marred, 9(37.5%) are single and the remaining 2(8.3%) of respondents from user departments are windowed.

From both respondent categories majority 9(64.3%) and 13(54.2%) of the respondents marred. This indicates that most of the employees have family and from this the bank is advantages in less turnover in the bank.

The data from table 1 item (5) shows that 6(42.9%) of the respondents have employment service from 6-10 years, 4(28.6%) of them have employment service from 3-5 years and the remaining 2(14.3%) of the respondents have been rendering service for less than one year and above ten years respectively. And also from user departments 10(41.7%) of the respondents have employment service year from 6-10, 8(33.3%) are service year from 3-5 and the remaining 3(12.7%) of the respondents less than one and above 10 service years.

From the above data, it can be said that the majority of the respondent serve the bank from 6-10 years. It is possible to say most of them are experienced and had adequate skill in banking operations.

From table 1 item (6) observe that 13(92.9%) of the respondents are operational workers and the remaining 1(7.1%) are members of managerial positions. And also

from the user department respondents 16(66.7%) are operational workers whereas 8(33.3%) are from members of management.

From the above table we can say that majority 13(92.9%) of the respondents are operational workers. This indicated that large number of employees of the bank is operational workers.

3.2 General Information Related to the Study

Table 2: Purchasing Procedures of the Bank

Item No.	Item	Alternatives	Frequency	%
1	Is the bank has its own effective purchasing manuals and guidelines	Strongly agree	-	-
		Agree	3	21.4
		Undecided	-	-
		Disagree	6	42.9
		Strongly disagree	5	35.7
		Total	14	100
2	To what extent purchasing procedures of the bank transparent	Very high	2	14.3
		High	1	7.1
		Undecided	-	-
		Low	7	50
		Very low	4	28.6
		Total	14	100
3	How do you evaluate purchasing procedures of the bank	Excellent	1	7.1
		Very good	2	14.3
		Good	3	21.4
		Poor	7	50
		Undecided	1	7.1
		Total	14	100
4	Is there the purchasing division follows Formal purchasing procedures	Strongly agree	-	-
		Agree	1	7.2
		Undecided	-	-
		Disagree	10	71.4
		Strongly disagree	2	21.4
		Total	14	100
5	How do you evaluate transparency of purchasing procedures of the bank	Very high	-	-
		High	3	21.4
		Undecided	2	14.3
		Low	5	35.7
		Very low	4	28.6
		Total	14	100

As discussed in the literature review purchasing procedures helps to ensure that all repetitive actions carried out in the purchasing department will be performed in a consistently efficient manner.

From the above table 2 item (1) indicate that 6(42.9%) of the respondents have disagreement in effectiveness purchasing procedures of the bank whereas 5(35.7%) of respondents have strong disagreement with the effectiveness of purchasing procedures of the bank. The remaining 3(21.4%) of the respondent agree in the effective procedures of the bank.

So, majority 11(78.6%) of the respondents have disagreement in effectiveness of purchasing procedures of the bank. This shows that in purchasing practice of the bank the existed purchasing procedures is not effective.

Table 2 item (2) shows that 7(50%) of respondents replies that transparency of purchasing procedures of the bank is low and 4(28.6%) of respondents answered very low transparency. 2(14.3%) of the respondents said very high, the remaining 1(7.1%) of them are said high.

Majority 11(78.6%) of the respondents said that transparency of purchasing procedures of the bank is low. This indicated in purchasing practice of the bank the implemented purchasing procedures lack of transparency.

Table 2 item (3) indicated that 7(50%) of the respondents answered that evaluation of purchasing procedures of the bank is poor and 3(21.4%) of respondents answered there are good purchasing procedures in the bank, 2(14.3%) of the respondents replied that very good purchasing procedure, 1(7.1%) of the respondents are excellent and while the remaining 2(14.2%) of them are said very good purchasing procedures in the bank.

From the above data 50% majority of the respondents argue that purchasing procedures of the bank is poor. From this understand that purchasing procedures is not serve the users department as they are needed in purchasing practice of the bank.

The above table 2 item (4) shows that 10(71.4%) of the respondents have disagreement in formality of purchasing procedures of the bank and 2(21.4%) of respondents replied that strongly disagreement in formality of purchasing procedure and the remaining 1(7.2%) of the respondents replied that formal purchasing procedure exist in the bank.

So, majority 10(71.4%) of the respondents have disagreement in formality of purchasing procedures of the bank. From this we observed that lack of constant formality of purchasing procedures in purchasing practice of the bank.

From the above table 2 item (5) observed 5(35.7%) of respondents answered evaluation of transparency of purchasing procedures of the bank is low and 4(28.6%) of respondents answered that there are very low transparency of purchasing procedures. And 3(21.4%) of the respondents answered transparency of purchasing procedures of the bank is high and the remaining 2 (14.3%) of them replied undecided.

Majority 9(64.3%) of the respondents said that evaluation of transparency of purchasing procedures of the bank is low. This shows that in purchasing practice of the bank the implemented purchasing procedures of the bank is not transparency.

Table 3: Problems in Purchasing Procedures

Item No.	Items	Alternatives	Frequency	Percentage (%)
6	Is there any problem in the purchasing procedures	Yes	10	71.4
		No	4	28.6
		Total	14	100

Source: Compiled from questionnaire

In relation with purchasing procedures of the bank as we can see from table 3 shows that 10(71.4%) of the respondents agree there are problems in purchasing procedures of the bank. On the other hand 4(28.6%) of the respondents replied that the bank has no purchasing procedures problem.

Majority 10(71.4%) of the respondents argue that there are problems in purchasing procedures of the bank. This indicated that the implemented purchasing procedures of the bank is not effective in purchasing practice of the bank.

Those who answered yes, for question no 6 and their suggestion problems were compiled like this:

- ☞ It is better to have a clear known procedures and policies of purchasing in the bank. Or the bank's procurement manual should be followed properly.
- ☞ There should always be preparation with regard to what to purchase, how to purchase and the need of each user.
- ☞ Most of the approval for the purchase of items usually depends on the low price of items; rather than on the quality and the services they contribute to the organization.
- ☞ People who make the purchase decision(tender committees) should have certain ideas on the quality of items.
- ☞ Prior to any action, the Division should have a formal feedback of the quality, timing, usage and uses of items, etc. From the experienced users.
- ☞ A certain fixed and transparent standards for purchase should be set.

From the above we observed that there are lack of clear known procedures and polices and not properly followed/used the existing one, during purchasing process not considered needs of the users, purchasing of materials depend on price rather than quality and there is lack of collect feedback from users department. And also there are lack of standard purchasing transparency.

This indicated is no clear and standard procedures and polices, during purchasing process there is no need assessment made by the purchasing division, and items are purchased in low price in purchasing practice of the bank there.

Table 4 : Involvement of Technical persons in decision making process

Item No.	Item	Alternatives	Frequency	Percentage (%)
7	Involvement of technical person in decision making process	Very high	1	7.1
		High	2	14.3
		Undecided	2	14.3
		Low	6	42.9
		Very low	3	21.4
		Total	14	100

Source: Compiled from questionnaire

From table 4 shows that 6(42.9%) of respondents answered involvement of technical person in decision making process is low and 3(21.4%) of respondents replied that very low involvement in decision making process, 2(14.3%) of the respondents answered involvement of technical person in decision making process is high and 2(14.3%) of the respondents answered undecided. The remaining 1(7.1%) of them replied very high.

So, majority 9(64.3%) of the respondents argue that involvement of technical person in decision making process is low. This shows that involvement of technical person in purchasing committee decision making process limited role in purchasing practice of the bank. Accordingly this fact matches with the response of purchasing division manager.

Table 5: Materials Specification in Bank of Abyssinia

Item No.	Item	Alternatives	Frequency	Percentage (%)
8	Is the bank has its own clear materials specification	Strongly agree	-	-
		Agree	2	14.3
		Undecided	1	7.1
		Disagree	7	50
		Strongly disagree	4	28.6
		Total	14	100

Source: Compiled from questionnaire

As we can observe from table 5 indicate that 7(50%) of the respondents have disagreement with the bank has its own clear materials specifications and 4(28.6%) of replied that strongly disagreement, 2(14.3%) of the respondents said that agree the bank has its own clear materials specification and the remaining 1(7.2%) undecided.

Majority of 11(78.6%) of the respondents said that in the bank no clear materials specification. This indicated that no clear and known materials/items specification in purchasing practice of the bank.

Table 6: Purchasing committee (Tender) of Bank of Abyssinia

Item No.	Items	Alternatives	Frequency	Percentage (%)
9	Transparency of decision made by the(Tender) purchasing committee	Very high	-	-
		High	3	21.4
		Undecided	-	-
		Low	9	64.3
		Very low	2	14.3
		Total	14	100
10	Evaluation of knowledge of (Tender) purchasing committee members about purchasing	Very high	-	-
		High	2	14.3
		Undecided	1	7.1
		Low	8	57.2
		Very low	3	21.4
		Total	14	100

Source: Compiled from questionnaire

As the above table 6 item (9) shows that 9(64.3%) of respondents answered that transparency of decision made by the purchasing committee is low and 3(21.4%) replied there are high transparency in purchasing committee decision. And the remaining 3(21.4%) of the respondents said that there are high transparency in decision made by the committee.

So, Majority 11(78.6%) of the respondents said that there are low transparency in decision made by the purchasing committee. This shows that decisions made by the

tender purchasing committee of the bank is not transparent in purchasing practice of the bank.

According to the above table 6 item (10) shows that 8(57.1%) of the respondents answered purchasing committee members (tender committee members) of the bank has low knowledge about purchasing and 3(21.4%) replied very low knowledge about purchasing, 3(21.4%) of the respondents very low knowledge and the remaining 2(14.3%) of them replied very high knowledge.

Majority 11(78.6%) of the respondents said that purchasing committee members have low purchasing knowledge. This indicated that members of the tender committee is not enough experience and knowledge in purchasing practice of the bank.

Table 7: During purchasing process time taking

Item No	Item	Alternatives	Frequency	Percentage (%)
11	How long does the purchasing process take time	Very long	3	21.4
		Long	7	50
		short	4	28.6
		Undecided	-	-
		Very short	-	-
		Total	14	100

Source: Compiled from questionnaire

As discussed in literature review determining the right time to purchase, the buyer should have information regarding lead time for all times to be purchased. Lead time is the total time elapsed between the recognition of the need for a time till it arrives and is made available for use.

From the above table (7), it can be observe that 7(50%) of the respondent replied purchasing process was take long time and 4(28.6%) the data indicate the bank purchasing process is take short time. And the remaining 3(21.4%) of the respondents said that during purchasing process take very long time.

Majority 10(71.4%) of the respondent said that purchasing process take long time. This indicated that purchasing process take long time in purchasing practice of the bank.

Table 8: During Purchasing Process more Weight is given to:

Item No	Item	Alternatives	Frequency	Percentage (%)
12	During purchasing process more weight is given to:	Quality	3	21.4
		Low Price	7	50
		Quantity	2	14.3
		Delivery	2	14.3
		Others	-	-
		Total	14	100

Source: Compiled from questionnaire

The above table 8 indicate that 7(50%) if the respondents answered that during purchasing process more weights is given for low price of items whereas 3(21.4%) replied that more weights is given for quality of items. 2(14.3%) of the respondents more weight for quantity and the remaining 2(14.3%) for delivery.

This implies 50% majority of the respondents said during purchasing process more weight is given to low price of items. However, the response of Division Manager and the Purchaser contradict with the employees response. They said during purchasing process more weight is given to quality of materials that meet the need and wants of the bank. From this one can understand that there are communication gap between users and purchasing division.

Table 9: Purchasing practice of the Bank

Item No.	Items	Response	Frequency	Percentage (%)
13	Evaluation of purchasing practice of the bank	Excellent	-	-
		Very good	1	4.2
		Good	3	12.5
		Undecided	2	8.3
		Poor	18	75
		Total	24	100
14	Transparency of purchasing practice of the bank	Very high	-	-
		High	2	8.3
		Low	5	20.8
		Very Low	7	29.2
		Poor	10	41.7
		Total	24	100

Source: Compiled from questionnaire

As the above table 9 item (13) shows, 18(75%) of the respondents replied evaluation of purchasing practice of the bank has poor, 3(12.5%) of the respondents are answered there are good purchasing practice, 2(8.3%) of the respondents replied undecided where as the remaining 1(4.2%) of them said that very good purchasing practice.

Majority 18 (75%) of the respondents said that evaluation purchasing practice in the bank is poor. This shows that purchasing practice of the bank is not given proper operational service to the users.

From table 9 item (14) observe that 10(41.7) of the respondents replied that transparency of purchasing practice of the bank is poor. Whereas 7(29.7%) are answered that there are very poor transparency of purchasing practice of the bank, 5(20.8%) of the respondent answer that there are low transparency of purchasing practice while the remaining 2(8.3%) of them are said high.

So, majority 22(91.7%) of the respondents said that purchasing practice of the bank is low. From this one can understand that purchasing practice of the bank is not serve or satisfy the needs of users department.

Table 10: Materials Purchased in Bank of Abyssinia

Item No.	Items	Alternatives	Frequency	Percentage (%)
15	What type of materials requested most of the time	Stationary materials	13	54.2
		Office furniture	6	25
		Office equipment	4	16.7
		Uniform clothes	1	4.2
		Other	-	-
16	Do you think that you have received the same amount of quantity of materials requested	Total	24	100
		Always	4	16.7
		Sometimes	14	58.3
		Never	6	25
		Not at all	-	-
		Regularly	-	-
17	How do you evaluate standards of materials purchased by the bank	Total	24	100
		Excellent	-	-
		Very good	1	4.2
		Good	8	33.3
		Undecided	2	8.3
18	How do you evaluate quality of materials purchased by the bank	Poor	13	54.2
		Total	24	100
		Excellent	2	8.3
		Very good	3	12.5
		Good	4	16.7
		Undecided	2	8.3

Source: Compiled from questionnaire

The above table 10 item (15) indicated 13(54.2%) of the respondent requested most of the time stationary materials for office consumption, 4(16.7%) are requested office equipment, 6(25%) of the respondents requested office furniture and the remaining 1(4.2%) of them requested uniform clothes.

Majority 13(54.2%) of the respondents said that requested stationary materials. This indicated that large amount of purchasing of the bank is stationary materials in purchasing practice of the bank.

As we can observe from table 10 item (16) 14(58.3%) of the respondents answered sometimes we received the same amount of items requested. While the other 6(25%) are answered never received the same amount of items requested. The remaining 4(16.7%) of the respondent said that received always same amount of quantity requested.

Majority 14(58.3%) of the respondents said that sometimes received the same amount of items requested. From this we understand that quantity of materials purchased by the bank is not satisfied the need of user departments in purchasing practice of the bank.

The above table 10 item (17) shows that 11(45.8%) of the respondents are answered that poor standards of materials are purchased by the bank. While 8(33.3%) are replied that there are good standard of materials are purchased, 3(12.5%) of the respondents replied that standards of materials purchased by the bank is very good while the remaining 2(8.3%) of them are undecided.

Majority 13(54.2%) of the respondents argue that standards of materials are poor. This shows that in purchasing practice of the bank there is no clear and defined materials standard set by the bank.

As discussed in literature review quality of the materials depends on quality of design and quality of conformance. The design specifies the quality specifications of raw materials and components and purchase department ensures that quality specifications are met by the materials purchased.

From the above table 10 item (18) 13(54.2%) of respondents answered that poor quality of materials purchased by the bank. While 4(16.7%) are replied there are good quality of materials purchased by the bank, 3(12.5%) of the respondents said that very good quality of

materials purchased by the bank. The remaining 2(8.3%) of them are replied excellent and undecided respectively.

Majority 13(54.2%) of the respondents said that quality of materials purchased by the bank is poor. From this we understand that in purchasing practice of the bank less quality materials purchased.

Table 11: Performance of purchasing practice in BOA with regard to some measures of Effectiveness

Item No.	Items	Alternatives	Frequency	Percentage (%)
19	Effectiveness of delivery of materials	Very high	1	4.2
		High	2	8.3
		Medium	3	12.5
		Low	14	58.3
		Very low	4	16.7
		Total	24	100
20	Effectiveness of purchasing of right quality	Very high	-	-
		High	3	12.5
		Medium	6	25
		Low	6	25
		Very low	9	37.5
		Total	24	100
21	Effectiveness of purchasing of right quantity	Very high	1	4.2
		High	2	8.3
		Medium	5	20.8
		Low	16	66.7
		Very low	-	-
		Total	24	100
22	Effectiveness of durability of goods	Very high	-	-
		High	1	4.2
		Medium	5	20.8
		Low	5	20.8
		Very low	13	54.2
		Total	24	100

Source: Compiled from questionnaire

From the above table 11 item (19) observe that 14(58.3%) of the respondents answered delivery effectiveness of the bank claim low, 3(12.5%) claim medium, 1(4.2%) claim high, 2(8.3%) claim very high and the remaining 4(16.7%) claim very low.

Majority 14(58.3%) of the respondents claim that delivery effectiveness of the bank is low. This indicated that in purchasing practice of the bank materials for user department is not delivered timely as needed. Accordingly this fact mach with the response of the purchaser.

As we can see from table 11 item (20) 9(37.5%) of the respondents answered that quality effectiveness of materials purchased by the bank is very low, 6(25%) of the respondents are replied quality effectiveness of materials purchased by the bank is medium and low respectively. The remaining 3(12.5%) of the respondent answered effectiveness of quality of materials purchased by the bank is high.

So, majority 15(62.5%) of the respondents argue that quality effectiveness of materials purchased by the bank is low. From this we understand that in purchasing practice of the bank performance of purchased quality materials is not satisfy the need of the users.

From table 11 item (21) shows that 16(66.7%) of the respondents claim effectiveness of purchasing right quantity materials low, 2(8.3%) of the respondents claim effectiveness of purchasing right quantity materials high, 5(20.8%) of the respondents claim effectiveness of purchasing right quantity materials medium and the remaining 1(4.2%) of the respondent claim effectiveness of purchasing right quantity very high.

Majority 16(66.7%) of respondents argue that effectiveness of purchasing right quantity materials low. This shows that in purchasing practice of the bank purchasing of right quantity is not based on need of the users.

As discussed in literature review quantity is the most important because both over ordering or under ordering increase cost. Over ordering increased inventory carrying costs whereas under ordering results in idling and also affect the day to day activities.

From the above table 11 item (22) we can perceive that, 13(54.2%) of the respondents replied that low durability. On the other 5(20.8%) of the respondents answered that the

durability of items purchased by the bank medium, 5(20.8%) of the respondents answered that the durability of items purchased by the bank low and the remaining 1(4.2%) of the respondents said that durability of materials purchased by the bank is high.

Majority 13(54.2%) of the respondent said that there are very low durability. From this understand that in purchasing practice of the bank not used properly purchasing parameters to select goods/items to purchased.

Table 12: Satisfaction of Employees with Materials Purchased

Item No.	Items	Response	Frequency	Percentage (%)
23	To what extent the employees of the bank satisfied with materials purchased by the bank	To a very great extent	2	8.3
		To some extent	3	12.5
		To great extent	4	16.7
		To less extent	14	58.3
		Not at all	1	4.2
		Total	24	100

Source: Compiled from questionnaire

From the above table 12 we can observe that 14(58.3%) of the respondents said that to less extent satisfied by purchased materials by the bank. While 3(12.5%) of the respondents satisfied to some extent. 4(16.7%) of the respondents answered that to great extent employees satisfied by materials purchased by the bank. While 2(8.3%) of them are to a very great extent employees satisfied and the remaining 1(4.2%) of them are not satisfied at all.

Majority 14(58.3%) of the respondents argue that satisfied to less extent by purchased materials by the bank. This shows that purchased materials are not satisfy the needs of the users in purchasing practice of the bank.

Table 13: Effects of purchasing problems

Item No.	Item	Alternatives	Response	Percentage (%)
24	Effects of purchasing problems on day to day activity of the bank	Very high	8	33.3
		High	7	29.2
		Medium	5	20.8
		Low	4	16.7
		Very low	-	-
		Total	24	100

Source: Compiled from questionnaire

From the above table we can see that 8(33.3%) of the respondent answered that purchasing problems are very high effect on day to day activity of the bank. Whereas 7(29.2%) of the respondents answered purchasing problems are high effect on day to day activity of the bank, 5(20.8%) of the respondents answered that medium effects of purchasing problems on day to day activity of the bank. The remaining 4(16.7%) of them said low effective.

Majority 15(62.5%) of the respondents argue that effects of purchasing problems on day to day activities of the bank is high. From this we understand that purchasing problems impact on banking day to day activities of the bank because of inefficiency of purchasing practice of the bank .

CHAPTER FOUR

SUMMARY, CONCLUSION AND RECOMMENDATION

4.1. Summary

- From collected data 78.6% of the respondents have disagreement in effectiveness of purchasing procedures of the bank;
- Transparency of purchasing procedures is low according to 78.6% of the respondents reply;
- Regarding to evaluation of purchasing procedures 64.3% of the respondent argue that there is low transparency;
- In relation to formality of purchasing procedures 71.4% of the respondents have disagreement;
- From the analysis 64.3% of the respondents claim that involvement of technical persons in decision process is low;
- Regarding materials specification 78.6% of the respondents argue that the bank has lack of clear materials specification;
- From the analysis 78.6% of the respondents claimed that decisions made by tender committee of the bank is lack transparent;
- Regarding knowledge and experience of tender committee members 78.6% of the respondents replied that the members are lack of experience in purchasing;
- From collected data 71.4% of the respondent replied that purchasing process is take long time;
- Regarding to materials purchased 54.2% of the respondents most of the time request for office consumption stationary materials;
- In relation to quantity received 58.3% of them argued that sometimes received the same amount of items requested;
- On the other hand standards of materials purchased are poor according to 54.2% of the respondents;
- Regarding to delivery effectiveness of materials to the user department 58.3% of the respondents argue that low;

- Quality of materials purchased are very low according to 62.5% of the respondents replied;
- In relation to effectiveness of quantity there are low said according to 66.7% of the respondents;
- Durability of goods to serve for the intended purpose is very low as the 54.2% of the respondents ;
- Regarding to satisfaction of employees with purchased item are less extent according to 58.3% of the respondents;
- In relation to effects of purchasing problems in day to day activities of the bank is very high according to 62.5% of the respondents

4.2 Conclusion

From the collected data and analysis made in the previous chapter, it can be concluded that purchasing practice of BOA involves problems. They are discussed as follows.

- The main reason for the purchasing of low quality of goods is purchasing committee focus only on lower price and lack of clear materials specification in the bank;
- The main reasons for delay of delivering purchased materials to the user department because of purchasing process take long time. This indicates that because of long purchasing process the user department does not delivered materials on time, so this affect operation of the bank;
- Even if the bank has a purchasing manual, it has not been strictly followed by the purchasing units as a result of this, purchasing unit is not done their duties properly;
- Since most purchasing are granted approval on the basis of least prices, the quality of the items purchased are not considered;
- Stock out cases also has happened most of the time. This makes the user departments not to get the required items timely;
- The role of technical person in purchasing process is limited. This indicated that one reason for ineffective in purchasing system of the bank;
- The purchasing procedures and practices of the bank has lack of transparency and also lack of clear materials specifications in the bank;
- Lack of experience in tender committee members and lack of transparency in decision made by the purchasing committee of the bank. As a result of ineffective purchasing committee work operations of the bank is affected.

4.3 Recommendation

Based on the findings and the conclusions above the researcher has tried to give the following recommendation:

- Even if the bank has a purchasing manual, it has not been strictly followed by the purchasing units. The availability of updated and functional purchasing manual containing clear cut procedures should be prepared by the General Service and Property Administration Division Manager;
- The main reason for the purchasing of low quality of goods is purchasing committee focus only on lower price and lack of clear materials specification in the bank. To get a good quality of items, quality standards should be set by the General Service & Property Administration Division Manager. Besides setting quality standards, the involvement of top management body in market researches is inevitable;
- Lack of experience in tender committee members and lack of transparency in decision made by the purchasing committee of the bank. The committee members should be professionals and otherwise they should be provided with a required training which would enable them to perform their duty effectively;
- Stock out cases also has happened most of the time. This makes the user departments not to get the required items timely. It has been suggested that the General Service & Property Administration Division Manager should draw a valuable lesson from the past experience and purchase adequate items to prevent the undesirable business interruption that may occur as a result of shortages;
- Role of technical person is limited in purchasing process of the bank. They should be assigned by management of the bank as the member of the purchasing committee for their valuable contribution and share experience and knowledge to the members.

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Appendix

**St. Mary University College
Business Faculty
Department of Management**

Questionnaires to be filled by the employees of Bank of Abyssinia.

This questionnaire is designed to gather information about purchasing practices in Bank of Abyssinia so that it can be used in a research to be made as partial fulfillment for a Bachelor of Art Degree in Management. Therefore, the researcher kindly request your full cooperation to complete this questioner and return as soon as possible. Your honest information and genuine opinion will have contribution to the success of the study. Your response will be maintained completely confidential.

N.B.

- ☞ No need of writing your name
- ☞ You can circle corresponds to your choice
- ☞ You can give more than one answer when necessary
- ☞ You are kindly requested to answer all questions

Part I. Personal Information

1. Gender

- A) Male B) Female

2. Age

- A) Below 25 B) From 25-35 C) From 36-45 D) Above 45

3. Educational Background

- A) 12 Complete B) Certificate C) Diploma
D) BA/Bachelor Degree E) Master and Above

4. Marital status

- A) Single B) Married C) Divorced D) Widowed

5. Service year in the Bank

- A) Less than 3 years B) 3 to 5 years
C) 6 to 10 years D) Above 10 years

6. What is your status (responsibility)

- A). The member of Management B) Operational Worker

Part II. Questionnaires regarding to purchasing practice of BOA

1. How do you evaluate the purchasing practice of the bank?
 A) Excellent B) Very good C) Good D) Undecided E) Poor
2. To what extent purchasing practices of the bank transparent?
 A) Very high B) High C) Low D) Very Low E) Poor
3. What type of materials requested most of the time?
 A) Stationary materials B) Office furniture
 C) Office equipment D) Uniform clothes E) Other _____
4. Do you think that you have received the same amount quantity of materials requested?
 A) Always B) Sometimes C) Never D) Not at all E) Regularly
5. How do you evaluate standard of materials purchased by the bank ?
 A) Excellent B) Very good C) Good D) Poor E) Very poor
6. How do you evaluate quality of materials purchased by the bank ?
 A) Excellent B) Very good C) Good D) Poor E) Undecided
7. To what extent the employees of the bank satisfied with materials purchased?
 A) To a very great extent B) To some extent
 C) To great extent D) To less extent E) Not at all
8. Is there any impact on day to day activity of the bank because of long purchasing process?
 A) Very high B) High C) Low D) Very low E) No impact
9. Performance of purchasing practice in BoA regarding to effectiveness

Effectiveness		Rating level				
		Very high	High	Medium	Low	Very low
9.1	Delivery					
9.2	Quality					
9.3	Quantity					
9.4	Durability					

10. If any additional comments or suggestions about purchasing practice of the bank.

St. Mary University College
Business Faculty
Department of Management

GSPAD

Questionnaires to be filled by the staffs of GSPAD of Bank of Abyssinia.

This questionnaires is designed to gather information about purchasing practices in Bank of Abyssinia so that it can be used in a research to be made as partial fulfillment for a Bachelor of Art Degree in Management. Therefore, the researcher kindly request your full cooperation to complete this questioner and return as soon as possible. Your honest information and genuine opinion will have contribution to the success of the study. Your response will be maintained completely confidential.

N.B.

- ☞ No need of writing your name
- ☞ You can circle corresponds to your choice
- ☞ You can give more than one answer when necessary
- ☞ You are kindly requested to answer all questions

Part I. Personal Information

1. Gender

- A) Male B) Female

2. Age

- A) Below 25 B) From 25-35 C) From 36-45 D) Above 45

3. Educational Background

- A) 12 Complete B) Certificate C) Diploma
D) BA/Bachelor Degree E) Master and Above

4. Marital status

- A) Single B) Married C) Divorced D) Widowed

5. Service year in the Bank

- A) Less than 3 years B) 3 to 5 years C) 6 to 10 years D) Above 10 years

6. What is your status (responsibility)

- A). The member of Management B) Operational Worker

**Part II. Questionnaires regarding to purchasing practice to be fill by staffs of
Purchasing Division of the bank.**

1. Is there the bank has its own effective purchasing manuals and guidelines?
A) Strongly agree B) Agree C) Undecided D) Disagree E) Strongly disagree
2. To what extent purchasing procedure of the bank transparent?
A) Very high B) High C) Undecided D) Low E) Very low
3. How do you evaluate purchasing procedure of the bank?
A) Excellent B) Very good C) Good D) Poor E) Undecided
4. Is there the purchasing division follow formal purchasing procedure?
A) Strongly agree B) Agree C) Undecided D) Disagree E) Strongly disagree
5. How do you evaluate transparency of purchasing procedure of the bank?
A) Very high B) High C) Medium D) Low E) Very low
6. Is there any problem in the purchasing procedures?
A) Yes B) No
7. If your answer in question no. 2 is “Yes” Please specify the problems

8. To what extent does the technical person involve in the decision making process?
A) Very high B) High C) Medium D) Low E) Very low
9. Is there the bank has its own clear materials specification?
A) Strongly agree B) Agree C) Undecided D) Disagree E) Strongly disagree
10. To what extent decision made by the purchasing committees are transparent?
A) Very high B) High C) Undecided D) Low E) Very low
11. How do you evaluate knowledge of tender committee members about purchasing ?
A) Very high B) High C) Undecided D) Low E) Very low
12. How long does the purchasing process take time?
A) Very long B) Long C) Undecided D) short E) Very short
13. During purchasing process more weight is given to
A) Quality B) Price C) Quantity D) Delivery E) Others _____

Interview questions for Division Manager and Purchaser of the bank

1. What are the main activities of the Purchasing Division?
2. Can you explain the purchasing cycle used by the bank?
3. What is the role of technical persons in the tender committee?
4. How the process of purchasing are done in the bank?
5. What type of purchasing systems does the bank conduct?
6. What are the main causes for delays of purchasing materials?
7. What are the main problems that encounter purchasing of materials?

Thank you,

DECLARATION

I, the undersigned, declare that this senior essay is my original work, prepared under the guidance of Ato Wondafrash Mulatu. All resources of materials used for the manuscript have been duly acknowledged.

NAME: Mulu Ashenafi

SIGNATURE: _____

PLACE OF SUBMISSION: St. Mary's University College Addis Ababa

DATE OF SUBMISSION: June, 2011

SUBMISSION APPROVAL SHEET

This paper has been submitted for examination with my approval as a University College advisor.

NAME: _____

SIGNATURE: _____

DATE: _____