

**-SQA-SCOTTISH QUALIFICATIONS AUTHORITY**

**NATIONAL CERTIFICATE MODULE: UNIT SPECIFICATION**

**GENERAL INFORMATION**

**-Module Number-** 6250006

**-Session-**1996-97

**-Superclass-** VC

**-Title-** PRINCIPLES OF PURCHASING AND SUPPLY

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**-DESCRIPTION-**

**GENERAL COMPETENCE FOR UNIT:** Identifying and explaining the activities involved in determining and procuring supplies.

**OUTCOMES**

1. explain the role of the purchasing department within different business sectors;
2. explain the role and application of Information Technology (IT) within the purchasing function;
3. explain the systems used to secure and monitor goods and services;
4. explain the role of the purchasing function to the maintenance of supplier performance.

**CREDIT VALUE:** 1 NC Credit

**ACCESS STATEMENT:** Access to this unit is at the discretion of the centre.

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For further information contact: Committee and Administration Unit, SQA, Hanover House, 24 Douglas Street, Glasgow G2 7NQ.

Additional copies of this unit may be purchased from SQA (Sales and Despatch section). At the time of publication, the cost is £1.50 (minimum order £5.00).

**NATIONAL CERTIFICATE MODULE: UNIT SPECIFICATION****STATEMENT OF STANDARDS****UNIT NUMBER:** 6250006**UNIT TITLE:** PRINCIPLES OF PURCHASING AND SUPPLY

Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

**OUTCOME**

1. EXPLAIN THE ROLE OF THE PURCHASING DEPARTMENT WITHIN DIFFERENT BUSINESS SECTORS

**PERFORMANCE CRITERIA**

- (a) The scope and objectives of the purchasing function are correctly identified.
- (b) Professional relationships with other people and functions within an organisation are correctly identified.
- (c) The contribution of the employee to Health and safety in the workplace is correctly identified.

**RANGE STATEMENT**

1. Business sectors: Industrial; Retail.
2. Contacts: users; suppliers of goods; third parties.
3. Legislation: Health and Safety at Work; Reporting of Infectious Diseases and Dangerous Occurrences Regulations; Office, Shops and Railway Premises Act.

**EVIDENCE REQUIREMENTS**

Oral or written evidence that the candidate can explain the role of purchasing department from the perspective of a junior member of the purchasing function in accordance with the requirements of performance criteria and the range statement.

**OUTCOME**

2. EXPLAIN THE ROLE AND APPLICATION OF INFORMATION TECHNOLOGY (IT) WITHIN THE PURCHASING FUNCTION

**PERFORMANCE CRITERIA**

- (a) The development in the use of IT within industry is correctly identified.
- (b) The application of IT in the monitoring and control of stock is correctly identified.
- (c) The application of IT to the sourcing activity is correctly explained.

**RANGE STATEMENT**

The range for this outcome is fully reflected within the performance criteria.

**EVIDENCE REQUIREMENTS**

Written or oral evidence to cover all the performance criteria.

**OUTCOME**

3. EXPLAIN THE SYSTEMS USED TO SECURE AND MONITOR GOODS AND SERVICES FROM SUPPLIERS

**PERFORMANCE CRITERIA**

- (a) Comparison of the advantages and disadvantages of different sourcing strategies are correct.
- (b) Acquisition techniques for the appropriation of goods and services are correctly identified.
- (c) Techniques for the progressing and monitoring of orders for goods and services are correctly identified.

**RANGE STATEMENT**

Ordering systems: high value; low value; mixed value.

**EVIDENCE REQUIREMENTS**

Written or oral evidence to cover all the performance criteria and the range statement.

**OUTCOME**

4. EXPLAIN THE ROLE OF THE PURCHASING FUNCTION TO THE MAINTENANCE OF SUPPLIER PERFORMANCE

**PERFORMANCE CRITERIA**

- (a) The scope and objectives of control of supplier performance are correctly identified.
- (b) Techniques for the monitoring of on-going supplier performance are identified correctly.
- (c) Techniques for the correction of supplier performance are correctly identified.

**RANGE STATEMENT**

Maintenance of supplier performance: quantity; quality; delivery; price; place.

Techniques: quantity; quality; delivery; price; place.

**EVIDENCE REQUIREMENTS**

Written or oral evidence to cover all the performance criteria and the range statement.

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**ASSESSMENT**

In order to achieve this unit, candidates are required to present sufficient evidence that they have met all the performance criteria for each outcome within the range specified. Details of these requirements are given for each outcome. The assessment instruments used should follow the general guidance offered by the SQA assessment model and an integrative approach to assessment is encouraged. (See references at the end of support notes).

Accurate records should be made of the assessment instruments used showing how evidence is generated for each outcome and giving marking schemes and/or checklists, etc. Records of candidates' achievements should be kept. These records will be available for external verification.

**SPECIAL NEEDS**

In certain cases, modified outcomes and range statements can be proposed for certification. See references at end of support notes.

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**NATIONAL CERTIFICATE MODULE: UNIT SPECIFICATION****SUPPORT NOTES**

**UNIT NUMBER:** 6250006

**UNIT TITLE:** PRINCIPLES OF PURCHASING AND SUPPLY

**SUPPORT NOTES:** This part of the unit specification is offered as guidance. None of the sections of the support notes is mandatory.

**NOTIONAL DESIGN LENGTH:** SQA allocates a notional design length to a unit on the basis of time estimated for achievement of the stated standards by a candidate whose starting point is as described in the access statement. The notional design length for this unit is 40 hours. The use of notional design length for programme design and timetabling is advisory only.

**PURPOSE** SQA publishes summaries of NC units for easy reference, publicity purposes, centre handbooks, etc. The summary statement for this unit is as follows:

This module will help you to develop skills in identifying and explaining the activities involved in determining and procuring supplies.

**CONTENT/CONTEXT****Outcome 1**

Definition of the purchasing function. The perception of the purchasing function within different business sectors. The status of the function. The scope of the purchasing function within different business sectors (e.g. manufacturing/retail). Centralisation and decentralisation. Material Management, Lead Buyer. The interaction between the purchasing function and other functions (e.g. marketing, design, production, engineering, finance). The interaction between the purchasing function and outside agencies (eg suppliers, agents). The duties of a junior member of the purchasing department in relation to Health and Safety legislation.

**Outcome 2**

Types of information technology Electronic Data Interchange (EDI), Electronic Point Of Sale (EPOS), INTERNET, Bar coding. Types of computer system. The application of IT to the stores function. Supplier details.

**Outcomes 3**

Sourcing Strategies; single, dual, multi. Fixed term contracts. Call off contracts. Credit card purchasing. The role of the expeditor. ABC analysis in expediting.

**Outcomes 4**

Types of buying situation; straight rebuy, modified rebuy, new buy. Sources of supplier information. Supplier appraisal systems. Vendor rating systems.

**APPROACHES TO GENERATING EVIDENCE** Wherever possible the student should be encouraged to examine real life examples of the application of theory. To this end it is envisaged that there will be extensive use of case studies and speakers from the business environment.

**ASSESSMENT PROCEDURES**

Outcome 1: 10 restricted response questions.

Outcome 2: An assignment based on the application of IT to (a) stock control; (b) sourcing activity.

Outcome 3: 10 restricted response questions.

Outcome 4: A case study on which restricted response questions are based.

**PROGRESSION** Successful completion of this module would entitle the candidate to progress to NC module 6250016 Techniques of Purchasing and Supply'.

**RECOGNITION** Many SQA NC units are recognised for entry/recruitment purposes. For up-to-date information see the SQA guide 'Recognised Groupings of National Certificate Modules'.

**REFERENCES**

1. Guide to unit writing. (A018).
2. For a fuller discussion on assessment issues, please refer to SQA's Guide to Assessment. (B005).
3. Procedures for special needs statements are set out in SQA's guide 'Candidates with Special Needs'. (B006).
4. Information for centres on SQA's operating procedures is contained in SQA's Guide to Procedures. (F009).
5. For details of other SQA publications, please consult SQA's publications list. (X037).

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