

Question Paper
Semester End Examination
Negotiation and Contract Management (0416-414)
Summer 2026
Total Marks: 40; Duration: 2 Hours (120 Minutes)

Question 1 (Total Marks: 8)

Case Scenario:

A Chittagong-based apparel manufacturer, Excellent Garments Ltd., is expanding its supply chain automation. The management recently hired an external software consultancy firm to implement a customized Enterprise Resource Planning (ERP) system to track raw material inventory from Chattogram Port to their Gazipur factories.

During the initial kickoff meeting, the software firm provided a document outlining the technical document to be developed. However, the Supply Chain Manager of Excellent Garments insisted that a technical document alone is insufficient, and a comprehensive **Statement of Work (SOW)** must be formally drafted before signing the contract.

The Supply Chain Manager mentioned that covering all essential elements in the SOW is the most important part of the whole project. Realizing the importance given by the client (Excellent Garments Ltd.), the software firm wanted to know and discuss all essential areas the SOW should cover for the project. Both the parties decided to meet over couple of meetings to draft a comprehensive Statement of Work (SOW) and mutually agreed that SOW should have following portions:

Project Scope & Objectives, Deliverables, Timeline / Milestones, Payment Terms, Acceptance Criteria, Warranty/Guarantee, Maintenance, Non-disclosure terms etc.

Question:

Based on the provided scenario, nature of the service Excellent Garments is looking for and above-mentioned essential points, Explain the key components of a proposed Statement of Work (SOW) for the implementation of Enterprise Resource Planning (ERP) project.

Question 2 (Total Marks: 8)

Case Scenario:

A Sylhet-based third-party logistics (3PL) provider, *Movers Logistics Ltd.*, has entered into an agreement with a local apparel brand to manage its central warehouse operations. However, during the peak festival rush before Eid, severe order processing backlogs occur. The client claims that Movers Logistics is breaching its contract by failing to handle daily delivery volumes. Movers Logistics Ltd. defended themselves by saying that it is not unusual during rush and nothing specific is mentioned how such incident should be handled. Upon reviewing the document, management of the Sylhet-based apparel brand realized the agreement lacks specific clauses clarifying what services are covered, who is responsible for handling high-volume spikes, and under what conditions penalties or exclusions apply. While reviewing the background works before initiating the clauses of the Service Level Agreement (SLA) and found that they considered following Key performance indicators (KPIs) during the initial stage of the SLA-

Availability and Uptime, Error Rates, Response Time, Number of Innovative solutions provided, Resolution Time, Mean Time to Recovery (MTTR), First Call Resolution Rate, Percentage of service provided beyond regular activity, Abandonment Rate, Security Metrics, Response against emergency, Adjustment rapidity against fluctuated demand.

Question:

Based on the SLA's core concepts and KPIs, explain which three key Service Level Agreement (SLA) KPIs were missing or poorly defined in Movers Logistics Ltd.'s contract that do not allow the client to force Movers Logistics to respond.

Question 3 (Total Marks: 8)

Case Scenario:

Jamuna Garments Ltd., an export-oriented readymade garment (RMG) factory in Savar, is procuring 70 heavy-duty industrial sewing machines from an international supplier. Given the high operational intensity and frequency of RMG manufacturing in Bangladesh, machine downtime due to machine breakdown or extended resting time of the machine directly risk shipment deadlines set by the overseas buyers. To protect operations, Jamuna Garments wants to negotiate a robust assurance and reliability framework that covers both free repair/replacement of defective parts for 2 years and a full refund or new machine replacement if any unit experiences critical structural failure within the first 6 months.

Question:

As the Procurement Lead for Jamuna Garments Ltd., choose the common features of Warranty and Guarantee. Also, develop a short description of specific Warranty and Guarantee clauses to secure maximum protection for Jamuna Garments under the contract.

Question 4 (Total Marks: 8)

Case Scenario

Pathao Ltd. is procuring 500 specialized GPS-tracking units for their logistics fleet in Dhaka. They are negotiating with a domestic electronics importer, Tech Source BD, who insists on a fixed price of BDT 6,000 per unit with a standard 6-month warranty.

Pathao's procurement team has established a clear BATNA (Best Alternative to a Negotiated Agreement): directly importing identical units from a manufacturer in Shenzhen, China, via DHL at a landed cost of BDT 5,000 per unit. However, direct import requires full upfront payment, involves 12 days of customs clearance at local Airport, and carries potential warranty and guarantee handling complications across borders.

During negotiations, Tech Source BD refuses to lower their price below BDT 5,500, citing rising US Dollar conversion rates and import duties in Bangladesh.

Questions:

In the light of relative bargaining power of both parties in this negotiation, how strong Pathao's BATNA (Best Alternative to a Negotiated Agreement) is? Analyze your opinion whether Pathao should walk away and execute their BATNA, or agree to Tech Source BD's BDT 5,500 offer? Justify your position using relativity of Cost vs. Lead Time vs. Risk.

Question 8 (Total Marks: 8)

Case Scenario

Felix Electronics Ltd. (FEL), a prominent consumer electronics assembler based in the Hi-Tech City in Kaliakair, Bangladesh, relies heavily on circuit board assemblies. FEL is currently negotiating a two-year supply contract with Silicon Tech BD, a specialized component supplier operating out of the Chittagong Export Processing Zone (CEPZ).

The negotiation reached a deadlock situation as Silicon Tech BD declined to offer any discounted rate for this long-term contract. To break the deadlock, Ms. Samira from FEL tapped into FEL's deep relationships within the Bangladesh Supply Chain Professionals Network (BSCPN) where she had been working with Mr. Chowdhury—one of the founding members of Silicon Tech BD and highlighted her extensive professional experience with Mr. Chowdhury in recent years. Ms. Samira called Mr. Chowdhury over phone immediately and briefed him about the deadlock situation in the negotiation. Knowing the situation, Mr. Chowdhury called back the representative of Silicon BD who was attending the meeting and advised him to move past short-term unit margin disputes and finalize a revenue-sharing agreement.

Question

Considering the interactions in the case scenario by highlighting how **relational/referent power** and **network connections** contributed to the negotiation dynamics between FEL and Silicon Tech BD compared to position-based power, **Evaluate** how personal credibility and industry networks played a crucial role in the above negotiation situation.