IMPACTS OF INFLATION ON CITIZENS' PURCHASING POWER OF GOODS AND SERVICES

(A Case Study of Kenya Tea Development Agency (KTDA) Holdings Limited)

BY

KARIUKI SAMSON NDUNGU

L126/30474/2012

A Research Project Submitted in Partial Fulfilment of the Requirements

For the Award of Diploma in Purchasing and Supplies Management

At The University Of Nairobi

2014
DECLARATION

This is my original work that has not been represented in any other university of award of any academic certification.

KARIUKI SAMSON NDUNG’U

Signature

Date

This work has been presented with my approval as a University Supervisor.

LECTURER,

DEPARTMENT OF EXTRA-MURAL STUDIES

UNIVERSITY OF NAIROBI

GODFREY NJENGA

Signature

Date

Supervisor.
The research study was focused on impacts of inflation on citizens' purchasing power of goods and services in KTDA. It mainly focused on investigating the impacts which affect the citizens’ purchasing power of goods and services.

The objective of the research was to investigate the following issues; causes of inflation which affect income earners, on how better to make well past decisions to control inflation and how inflation has contributed to retardation of economic growth.

The researcher used both primary and secondary data. The primary data was got using structured questionnaires which were filled by the respondents and later retuned back to the researcher. The secondary data was collected from literature review. The sample population was all the 350 employees of KTDA Head Office in Nairobi. The sample size consisted of at least 44 employees out of the 350 employees. The data was analysed, and the response rate was quite high as 73% of the respondents responded and only 27% did not respond. The data was analysed thoroughly to see how inflation has impacts on citizens’ purchasing power of goods and services. The research findings revealed that inflation has impacts on citizens’ purchasing power of goods and services.

Though it cannot be concluded that impacts of inflation on citizens purchasing power of goods and services is the only thing that has affected Tea cooperative holdings in Kenya leading to changes operation cost, customer base and overall procurement performance.