



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT SCIENCE

UNIVERSITY EXAMINATION FOR:

BACHELOR OF COMMERCE (PROCUREMENT OPTION)

BPC 4400: E-PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

END OF SEMESTER EXAMINATION

ORDINARY EXAMINATIONS

SERIES: DECEMBER 2016

TIME: 2 HOURS

DATE: 13th DECEMBER 2016

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of FIVE questions. Attempt Question ONE and any other TWO Questions

Do not write on the question paper.

Question ONE

GOVERNMENT AND E-PROCUREMENT

The government has implemented many state-wide e-Government applications in the last one financial year, to provide legal recognition to electronic transactions. As a part of these initiatives, the government has set up an e-procurement market place, linking government departments, agencies and local bodies with their vendors. The main objectives of the e-procurement initiative are to: reduce the time and cost of doing business for both vendors and government; realize better value for money spent through increased competition and the prevention of cartel formation; standardize the procurement processes across government departments/agencies; increase buying power through demand aggregation; provide a single stop shop for all procurements; allow equal opportunity to all vendors; bring transparency and ultimately reduce corruption.

Prior to the introduction of an e-procurement platform, procurement in the government departments was carried out through a manual tendering process.

In light of the above, answer the following questions:

- a) “As part of these initiatives, the government has set up an e-procurement place...” With an example, discuss the various types of e-market places available and clearly discuss the advantages of an e-market place (10 marks).
- b) “Prior to the introduction of an e-procurement platform, procurement in the government departments was carried out through a manual tendering process.” Explicitly explain the advantages e-procurement to the government, over the traditional manual tendering process (10 marks)
- c) An effective e-procurement solution automates the procurement process and supports users at all stages. In the context of government procurement, explain how e-procurement differs from manual procurement (10 marks)

Question TWO

- a) An organization can determine which e-procurement tools it is likely to need by reference to its e-procurement needs and to the types of products it intends to purchase through e-procurement. Using the supply positioning model, explain the suitability of e-catalogues and e-auctions in the purchase of different items (8 marks)
- b) A major characteristic of the evolution of e-procurement is that most initiatives have been buyer driven or buy-side initiatives. With examples, explain the types of operators in e-procurement transactions (12marks)

Question THREE

- a) The e-procurement business case measures the projected costs and savings of the project, identifies the business benefits that will accrue and provides an argument for funding an e-procurement project. With an example, explain the steps followed in the preparation of an e-procurement business case (10 marks)
- b) Explain the development of supplier-buyer relationships over time, clearly highlighting their influence in the development of e-procurement (10 marks)

Question FOUR

- a) The key gains for the purchasing department are process savings, through automation of tasks, greater compliance to purchasing policies by the company as a whole and greater leverage with suppliers. Clearly discuss the impact of e-procurement on the role of procurement (12 marks)

- b) Implementation of e-procurement in many organizations has helped to curb maverick buying. Explain with an example, what maverick buying is, and the cost of maverick buying to an organization (8 marks)

Question FIVE

- a) Explain the concept of the extended value chain concept, clearly discussing the activities of an extended enterprise (10 marks)
- b) E-procurement can lead to a fundamental change in the way companies do business. Explain the two categories of e-procurement key performance indicators (KPIs) that can be used to measure the success of implementing an e-procurement solution (10 marks)