



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

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: DECEMBER 2016

TIME: 2 HOURS

DATE: 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

COD AND E-PROCUREMENT

COD spends an estimated fifteen (15) billion shillings each year on non-production goods and services, making it one of the largest purchasers of such goods. With COD's continued quest to cut costs, COD utilizes an e-procurement solution, with the intention of cost cutting from the everyday tasks such as purchasing office supplies and filing expense reports.

COD has revised the procurement processes, instead of receiving catalogues, and having employees complete purchase orders that must be approved by the management, which often takes days or weeks. Employees now log into the market system, browse manufacturer's catalogues, order from a pre-approved group of suppliers and obtain purchasing approval in minutes. COD anticipates to cut spending and transaction costs by as much as thirty percent.

In light of the above, answer the following questions:

- a) COD spends an estimated fifteen billion shillings each year on “non-production” goods and services. Clearly compare the ORM and MRO purchase items that COD purchases annually (8 marks)
- b) Discuss the major limitations of the traditional manual procurement process that may have prompted COD to implement e-procurement (8 marks).
- c) The original e-procurement tool is the catalogue in which a buyer uses a catalogue for multiple suppliers. With clearly articulated examples, explain the advantages of e-catalogues that may have triggered their continued use by COD (6 marks)
- d) Other than e-catalogues, advise the management of COD any other procurement tools that they can use in procuring their non-production goods (8 marks)

Question TWO

- a) It is advisable for most companies lacking internal e-procurement expertise to consider using an independent consultant, who is not affiliated in any way with one particular vendor, system, or e-procurement technology. Explicitly discuss the role of consultants in developing an e-procurement strategy (10 marks)
- b) Explain the meaning of e-readiness and e-intensity as applicable in e-procurement and supply chain management (10 marks)

Question THREE

- a) A pre-requisite for a successful e-procurement system is adequate infrastructure, in terms of information technology and telecommunications. Clearly discuss the local and industry infrastructural requirements for successful e-procurement implementation (12 marks)
- b) Discuss the guidelines that should be followed by an organization when preparing a contract agreement with an e-procurement vendor. (8 marks)

Question FOUR

- a) Distinguish between an English forward auction and English reverse auction, and explain the advantages of e-auctions (10 marks)
- b) The selection of an e-procurement solution may come down to a choice between a number of vendors whose offerings meet your needs. Discuss the wide range of criteria that an organization can apply to narrow down to the number of vendors you would feel are eligible for serious consideration (10 marks)

Question FIVE

- a) Discuss the criteria that can be used by a modern organization in the selection of e-procurement solutions (10 marks)

- b) One aspect of competition is the automation of business processes, which led to major multinational companies introducing sophisticated procurement technologies. Clearly discuss the evolution of procurement technologies over time (10 marks)