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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR**  
**FOURTH YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

Date: 7<sup>th</sup> December, 2023  
Time: 11.30am –1.30pm

**KPS 400 - PURCHASING AND INFORMATION TECHNOLOGY**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

Nairobi IT Limited is a major manufacturer of hard disks and other high-technology storage components. It is faced with two key challenges in its operations. The first challenge has been streamlining supply processes in order to lower inventory levels. The company's traditional ordering process included phone calls and manual inventory checks. To ensure that production was not interrupted, the process required high levels of inventory. The company needs a solution that would automate ordering.

The second challenge has been how to improve the quality of component data in its Material Requirement Planning (MRP) system. Incomplete and inaccurate data causes delays in production. The company's solution of manually reviewing reports to identify errors is labour intensive and is often done too late, problems in production are experienced before the reports are even reviewed. Nairobi IT Limited needs a technology solution that will enable it to operate proactively to arrest problems before they cause delays.

**Required;**

- a) Propose to Nairobi IT Limited the strategic approach to supply chain process automation. (6 marks)
- b) Discuss the infrastructural considerations that Nairobi IT Limited needs to consider when adopting e-procurement system. (6 marks)
- c) Analyze the planning tools that Nairobi IT Limited might need in implementation of e-procurement. (6 marks)
- d) Using the case study above, explain FIVE benefits Nairobi IT might accrue from automating its ordering process. (6 Marks)
- e) Discuss the benefits of using MRP system. (6 Marks)

**QUESTION TWO (20 MARKS)**

- a) The essence of ERP is fundamental approach which takes a wider, holistic view of the organization, discuss some of the benefits of Enterprise Resource Planning. (8 Marks)
- b) Explain is the difference between an intranet and an extranet? (6 Marks)
- c) E-Procurement enables organizations to request, order and buy goods and services online, discuss the drivers of the use of E-procurement. (6 Marks)

**QUESTION THREE (20 MARKS)**

- a) An E-contract process of life cycle consists of a number of phases where each phase constitutes activities confined to that phase. Discuss the classification of E-contract phases. (8 Marks)
- b) Discuss the two types of procurement systems. (6 Marks)
- c) Elaborate on the examples of supply chain management systems. (6 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Outsourcing is the use of external service providers to effectively deliver IT enabled business process, application services and infrastructure solutions for business outcomes. Highlight the contribution of Outsourcing to Electronic sourcing. (8 Marks)
- b) Discuss the benefits of using IFMIS in supply chain function. (6 Marks)
- c) Electronic Data Interchange technology saves time and money through automation of a process previously manually executed with documents. Discuss the limitations of using EDI. (6 Marks)

**QUESTION FIVE( 20 MARKS)**

- a) IMS is a smart system which collects and synthesizes procurement related information all over the country. Discuss the workflow steps in Procurement Information Management System. (8 Marks)
- b) Discuss some of the advantages of PMIS over traditional procurement systems. (6 Marks)
- c) Explain are the challenges caused by these emerging issues in Purchasing and information Technology. (6 Marks)