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KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
THIRD YEAR, FIRST SEMESTER EXAMINATION
FOR THE BACHELOR OF BUSINESS AND INFORMATION TECHNOLOGY
KBA 2302 FINANCE AND BUSINESS INFORMATION SYSTEMS

Date: 9TH AUGUST 2024
Time: 2:30PM – 4:30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

a) XYZ Corporation, a mid-sized manufacturing firm, has been facing significant challenges in its financial reporting and analysis processes. The company's finance team has been struggling with outdated systems, leading to delays in financial reporting, inaccuracies in data, and inefficiencies in transaction processing. To address these issues, the management at XYZ Corporation has decided to integrate their finance department with modern Business Information Systems.

The company has selected a robust Enterprise Resource Planning (ERP) system, specifically SAP Financial Accounting, which promises to streamline financial operations, enhance reporting accuracy, and improve overall efficiency. This ERP system integrates various functions, such as procurement, sales, inventory management, and finance, into a single unified platform, providing real-time data access and advanced analytics capabilities.

In addition to the ERP system, XYZ Corporation is implementing a sophisticated transaction processing system. This system automates financial transactions like invoicing, payments, and receipts, reducing manual intervention and minimizing errors. The real-time processing capabilities ensure that financial data is always up-to-date, facilitating better decision-making and financial control.

To ensure the successful integration of these new systems, XYZ Corporation's leadership believes that documenting business processes is crucial. They have embarked on a comprehensive project to thoroughly document all business processes, aiming to identify and rectify inefficiencies and standardize procedures across the organization. This documentation serves multiple purposes, including providing a reference for training new employees, ensuring compliance with industry regulations, and retaining organizational knowledge.

The primary goals of these initiatives are to: Enhance Financial Reporting and Analysis: By integrating finance and BIS, the company aims to improve the accuracy and timeliness of financial reports, enabling better strategic planning and decision-making. Improve Efficiency in Financial Transactions: The implementation of the transaction processing system is expected to streamline financial workflows, reduce processing time, and improve accuracy. Standardize and Optimize Business Processes: Documenting business processes will help in standardizing operations, improving efficiency, and ensuring compliance with regulatory requirements.

Required:

- i) Explain how the integration of finance and Business Information Systems can enhance financial reporting and analysis at XYZ Corporation.
(8 Marks)
- ii) Provide an example of a transaction processing system and explain how it can improve the efficiency of financial transactions at XYZ Corporation.
(8 Marks)

- iii) Explain the importance of documenting business processes to organization like XYZ corporation (8 Marks)
- b) Describe a scenario where data analysis in Excel can provide valuable business insights (6 Marks)

QUESTION TWO (20 MARKS)

- a) In Kenya, mobile money services, particularly M-Pesa, have revolutionized the way financial transactions are conducted. M-Pesa allows users to deposit, withdraw, transfer money, pay bills, and even access credit using their mobile phones. The service has gained widespread adoption, with millions of Kenyans using it for various financial needs.

Required:

- i) Discuss the factors that have contributed to the success of mobile money services like M-Pesa in Kenya. (10 Marks)
- ii) Describe how mobile money service providers has promoted financial inclusion in the country. (10 Marks)

QUESTION THREE (20 MARKS)

- a) State and explain the 5 electronic finance models. (10 Marks)
- b) Explain three reasons for the growth in the adoption of ERP systems. (6 Marks)
- c) Distinguish between centralized and decentralized information systems (4 Marks)

QUESTION FOUR (20 MARKS)

- a) Explain how Finance Business Information System can be applied in banks and financial institutions for managing customer accounts and processing transactions. Provide specific examples. (10 Marks)
- b) What is robotic process automation, and how can it improve operational efficiency in financial institution like banks, insurance companies, credit unions. (10 Marks)

QUESTION FIVE (20 MARKS)

- a) Many organizations are finding it necessary to use social media as a means of communicating with customers. However, not all organizations have managed their use of social media successfully.

Required:

Suggest five essential guidelines for managing corporate social media in the context of finance and business information systems.

(10 Marks)

- b) Differentiate between electronic finance and traditional financial services.

(10 Marks)