



Kasarani Campus
Off Thika Road
Tel. 2042692 / 3
P. O. Box 49274, 00100
NAIROBI
Westlands Campus
Pamstech House
Woodvale Grove
Tel. 4442212
Fax: 4444175

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: 14th April, 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)

MAHINDRA PROTECTIVE EQUIPMENT COMPANY

Mahindra Protective Equipment Company manufactures and sells a range of work-wear and protective equipment. The products are made to extremely high quality standards and The Company constantly updates its products to reflect different operating environments and health and safety at work requirements. The current buyer/ purchasing officer is still new and inexperienced. Due to her limited experience combined with complexity of the product range and the need for high quality levels, she has found it difficult to influence effective purchasing. Formal procurement procedures and systems are still manual. Currently the buyer waits to receive a requisition from the production function to place order for equipment, materials and products. This means orders are usually urgent and the buyer has little opportunity to review alternative suppliers. The manual purchasing has led to low value maintenance, repair and operations requirements and stock outs. Moreso, the buyer faced a challenge to order the required number materials for production. Recently, the buyer has become concerned that some of her key suppliers could be facing financial difficulties. However, it is uncertain how to investigate the financial position of these suppliers due manual purchasing. The buyer believes that she needs to research the supply market in order to gather more information on external supplier capabilities and market availability. This will allow her identify alternative suppliers and supply market. The buyer advised the procurement manager to invest in technology management software to solve some of the problems.

Questions

- a) Explain three challenges experienced by the company due to manual purchasing. (6 marks)
- b) The buyer is contemplating on getting alternative suppliers due to current buyer's financial difficulties. Explain four factors to consider during supplier selection (8 marks)
- c) Explain three benefits of technology management software during purchasing to the company (6 marks)
- d) Explain three benefits of supplier evaluation to the company (6 marks)
- e) The use of information technology is not a guarantee that the Company will meet its production levels. Explain two challenges that the company may face due to technology management software. (4 marks)

QUESTION TWO (20 MARKS)

- a) Explain five attributes of a good supplier. (6 marks)
- b) Purchasing department plays a key role in an organization. Discuss the scope of purchasing in an organization (6 marks)
- c) E-market place is one of the subsets of E-commerce and plays a key function in purchasing. Explain four advantages of e-market places in an organization (8 marks)

QUESTION THREE (20 MARKS)

- a) Discuss four objectives of purchasing in an organization (8 marks)
- b) Explain three computer applications in purchasing (6 marks)
- c) In three ways distinguish between manual purchasing and electronic purchasing. (6 marks)

QUESTION FOUR (20 Marks)

- a) Discuss three difficulties when using Information Technology for purchasing. (6 marks)
- b) Procurement management system enhances effectiveness and efficiency in an organization. Explain three features of a procurement management system. (6 marks)
- c) Computer based purchasing refers to online purchasing. Discuss four merits of computer based purchasing in an organization (8 marks)

QUESTION FIVE (20 MARKS)

- a) The purchasing department works with other departments in an organization to enhance productivity. Explain three relationship between purchasing and other departments in an Organization (6 marks)
- b) Organizations source for different suppliers of their products using various sources of information. Discuss four sources of supplier information. (8 marks)
- c) Describe three types of E-commerce/ E-commerce models. (6 marks)