

KISM AND KASNEB

CERTIFIED PROCUREMENT AND SUPPLY PROFESSIONAL (CPSP)

PART I

SUPPLY CHAIN MANAGEMENT INFORMATION SYSTEMS

FRIDAY: 20 November 2015.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

- (a) Explain FIVE benefits of using a Procurement Management Information System (PIMS) in an organisation. (5 marks)
- (b) E-procurement implementation has several barriers of adoption especially in a developing country like Kenya.
Highlight FIVE such barriers. (5 marks)
- (c) Many buying organisations are increasingly using e-commerce.
State the benefits that might accrue to these organisations. (5 marks)
- (d) Highlight the importance of e-procurement to the buyer as a strategy in procurement and supply. (5 marks)
- (Total: 20 marks)**

SECTION B

QUESTION TWO

You have been engaged by the government as a specialist in e-procurement applications. Your role will be to advise on the best practices in e-procurement.

With typical examples, illustrate to the government the following key points:

- (a) Types of e-procurement applications available. (6 marks)
- (b) The different approaches for acquiring the e-procurement applications. (8 marks)
- (c) Category of specifications to be used and key stages in procuring the e-procurement applications. (6 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) You have recently been hired to work as a procurement manager in an organisation that uses a manual procurement process.
Discuss the steps you would take in upgrading the system into an e-procurement system. (10 marks)
- (b) (i) Outline the principles behind adoption of Procurement Information Management Systems. (4 marks)
- (ii) Explain THREE procurement goals that benefit from implementation of Procurement Information Management Systems. (6 marks)
- (Total: 20 marks)**

SECTION C

QUESTION FOUR

Read the case study and answer the questions that follow.

ABC COMPANY LIMITED

ABC Company Limited started manufacturing operations in 2005. Since then it has invested heavily in web-based technologies sufficiently capable for e-auctions. A study carried out by a consultant investigating whether ABC Company Limited exploits other e-sourcing and e-procurement tools in pursuit of procurement efficiency suggested the following further capabilities that the company may explore:

1. Computerised requirement planning and specification tools such as integrated systems for Materials Resource Planning (MRP).
2. Desk top procurement systems such as online catalogues for electronic stock call-offs.
3. Extranet links with key suppliers.
4. Online tracking, tracing and expediting of deliveries.
5. Electronic payments systems.
6. Contract management systems.

The consultant noted that many of these tools are available as “off the shelf” software with basic internet access.

Required:

- (a) Describe to ABC Company Limited, the areas of the buying process covered by e-procurement systems. (10 marks)
- (b) Explain the advantages of using e-catalogues to ABC Company Limited. (10 marks)
- (c) Explain the essential elements of Materials Requirement Planning (MRP) systems to ABC Company Limited. (10 marks)
- (d) Set FIVE technical evaluation criteria for use in the purchase of an e-procurement system. (10 marks)

(Total: 40 marks)

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PART I

SUPPLY CHAIN MANAGEMENT INFORMATION SYSTEMS

MONDAY: 23 May 2016.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

- (a) List FIVE enablers of e-procurement. (5 marks)
- (b) Explain FIVE internet tools and platforms that have replaced traditional procurement methods. (5 marks)
- (c) Justify the use of e-procurement in a business organisation. (5 marks)
- (d) Discuss FIVE challenges of implementing e-procurement software in manufacturing firms. (5 marks)

(Total: 20 marks)

SECTION B

QUESTION TWO

Imagine you have been hired as an e-procurement consultant by ABC Company Limited. Your role is to advise the company on best practices in e-procurement implementation.

With the aid of examples:

- (a) Illustrate FIVE supply chain management information systems. (10 marks)
- (b) Discuss the internet based services that are required in establishing an e-procurement system. (10 marks)

(Total: 20 marks)

QUESTION THREE

- (a) Identify FOUR criteria that an organisation would consider before selecting an e-procurement application. (8 marks)
- (b) Discuss the emerging issues and trends in supply chain management information systems in regard to:
 - (i) Consumer trends. (3 marks)
 - (ii) Organisational trends. (3 marks)
 - (iii) Enterprise technological trends. (3 marks)
 - (iv) Service or process trends. (3 marks)

(Total: 20 marks)

SECTION C

QUESTION FOUR

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. (10 marks)
- (b) Discuss FIVE infrastructural considerations that Nairobi IT Limited needs to consider when adopting e-procurement system. (10 marks)
- (c) Analyse FIVE planning tools that Nairobi IT Limited might need in implementation of e-procurement. (10 marks)
- (d) Using the case study above, explain FIVE benefits Nairobi IT might accrue from automating its ordering process. (10 marks)

(Total: 40 marks)

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PART I

SUPPLY CHAIN MANAGEMENT INFORMATION SYSTEMS

MONDAY: 22 May 2017.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

- (a) Discuss the phases in the evolution of e-procurement. (10 marks)
 - (b) Differentiate between manual procurement and e-procurement. (4 marks)
 - (c) Outline six limitations of using procure-to-pay systems. (6 marks)
- (Total: 20 marks)**

SECTION B

QUESTION TWO

- (a) A multinational company that deals with procurement, storage and distribution of farm inputs is considering automating its processes due to high cases of stock-outs and overstocking.

Propose THREE supply chain management information systems that could be adopted by the multinational company. (9 marks)
 - (b) List ELEVEN components of e-procurement value chain. (11 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Evaluate THREE e-procurement tools. (9 marks)
 - (b) Compare functions of Material Requirement Planning (MRP) and Distribution Requirement Planning (DRP). (5 marks)
 - (c) Explain SIX functions of Advanced Planning and Scheduling (APS) systems. (6 marks)
- (Total: 20 marks)**

SECTION C

QUESTION FOUR

XYZ Company is a regional organisation which has been in operation for 10 years. It owns several supermarkets in East Africa region and employs a total of 300 people. The XYZ supply chain department was formed three years ago and is currently decentralised in various countries. The department is in-charge of need fulfillment which involves procurement and supply, storage and distribution.

XYZ uses manual procurement and has the intention to move to automated procurement. You have been appointed as a supply chain information system consultant by XYZ Company. Your mandate is to assess the current system and recommend accordingly.

Required:

- (a) Outline typical steps in a manual procurement process. (10 marks)
- (b) Assess the limitations of a manual procurement process in XYZ. (10 marks)
- (c) Describe FIVE categories of costs involved in acquiring an automated procurement system. (10 marks)
- (d) Propose FIVE types of supply chain management information systems that can be implemented by XYZ. (10 marks)

(Total: 40 marks)

Time Allowed: 3 hours

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

- (a) Discuss the phases in the evolution of e-procurement. (10 marks)
- (b) Delineate between manual procurement and e-procurement. (4 marks)
- (c) Outline six limitations of using procure-to-pay systems. (6 marks)
- (Total: 20 marks)**

SECTION B

QUESTION TWO

- (a) A multinational company that deals with procurement, storage and distribution of farm inputs is considering automating its processes due to high cases of stock-outs and overstocking. Propose THREE supply chain management information systems that could be adopted by the multinational company. (9 marks)
- (b) List ELEVEN components of e-procurement value chain. (11 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Enumerate THREE e-procurement tools. (9 marks)
- (b) Compare functions of Material Requirement Planning (MRP) and Distribution Requirement Planning (DRP). (5 marks)
- (c) Explain SIX functions of Advanced Planning and Scheduling (APS) systems. (6 marks)
- (Total: 20 marks)**

SECTION C

QUESTION FOUR

XYZ Company is a regional organisation which has been in operation for 10 years. It owns several supermarkets in East Africa region and employs a total of 500 people. The XYZ supply chain department was formed three years ago and is currently decentralised in various countries. The department is in charge of need fulfilment which involves procurement and supply storage and distribution. XYZ uses manual procurement and has the intention to move to automated procurement. You have been appointed as a supply chain information system consultant by XYZ Company. Your mandate is to assess the current system and recommend accordingly.

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PART I

SUPPLY CHAIN MANAGEMENT INFORMATION SYSTEMS

MONDAY: 21 November 2016.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

- (a) Give FIVE reasons for adoption of e-procurement. (5 marks)
 - (b) Outline FIVE security threats faced by e-procurement systems. (5 marks)
 - (c) Describe the modules in a procurement information management system (PIMS). (5 marks)
 - (d) Describe the procurement information management system workflow. (5 marks)
- (Total: 20 marks)**

SECTION B

QUESTION TWO

You have been hired as an e-procurement specialist by Leitz Company Limited which has been using manual systems in its operations. Your role is to advise the company on the implementation of an e-procurement system.

- (a) Evaluate the technological infrastructure required for implementation of e-procurement. (10 marks)
 - (b) Examine FIVE challenges that Leitz Company Limited is likely to face during the implementation stage. (10 marks)
- (Total: 20 marks)**

QUESTION THREE

Kubo Ltd. is a vegetable oil manufacturing company based in Kiambu county, Kenya. The company has five departments: Administration, Finance, Procurement, Production and Marketing. Each department is headed by a manager. At a recent board meeting, the Managing Director instructed the Procurement Manager to evaluate the possibility of adopting a Just-In-Time inventory management system, alongside an Enterprise Resource Planning Software. The aim was to enhance operational efficiency and reduce costs.

- (a) Outline the steps that the Managing Director should take to ensure a successful change to an ERP system. (5 marks)
 - (b) Describe the responsibility of the procurement department in ensuring the success of the proposed JIT system. (5 marks)
 - (c) Explain why the JIT philosophy may not be successful at Kubo Ltd. (5 marks)
 - (d) Identify the challenges of deploying an ERP system at Kubo Ltd. (5 marks)
- (Total: 20 marks)**

SECTION C

QUESTION FOUR

Kelnet Corporation is a company that deals in the manufacture of high class cement for the mass market. Since inception in 1980 the company has been using manual systems to manage operations, including supply chain management. Mr. Mzito the Chief Executive Officer (CEO) of the company recently received a directive from the Board of Management to automate supply chain management activities of the company.

Required:

- (a) Outline the limitations of the supply chain management processes currently in use by the company. (10 marks)
 - (b) Propose to Kelnet Corporation FIVE areas of focus for improvement of their supply chain management process. (10 marks)
 - (c) Explain the requirements for success in automation of the supply chain management process. (10 marks)
 - (d) Discuss FIVE business benefits of automating the supply chain management process at Kelnet Corporation. (10 marks)
- (Total: 40 marks)**
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PART I

SUPPLY CHAIN MANAGEMENT INFORMATION SYSTEMS

PILOT PAPER

September 2015.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

- (a) Differentiate the terms “e-tendering”, “e-procurement” and “e-commerce” as used in supply chain management. (5 marks)
 - (b) Identify FIVE advantages of using e-tendering. (5 marks)
 - (c) Highlight FIVE key enablers for conducting e-procurement in a food processing company. (5 marks)
 - (d) Explain the key performance indicators (KPI's) for evaluating the effectiveness of an e-procurement system in an organisation. (5 marks)
- (Total: 20 marks)**

SECTION B

QUESTION TWO

Company X which operates in the cement industry has invited you to present a paper on e-procurement systems to the management. Discuss the components of e-procurement systems. (20 marks)

(Total: 20 marks)

QUESTION THREE

- (a) Discuss factors that should be considered when conducting e-tendering. (10 marks)
 - (b) “Procurement systems have to be competitive. To achieve value for money, certain conditions must be met to justify the use of tendering”. Discuss. (10 marks)
- (Total: 20 marks)**

SECTION C

QUESTION FOUR

Read the case below and answer the questions that follow.

EAST COUNTY GOVERNMENT

East County Government recently established an e-procurement system for the procurement of routine supplies that the county government had previously obtained through requesting written quotations from suppliers.

The system works like a reverse auction whereby the procurement opportunity is advertised online to a group of suppliers who have registered with the oversight body.

Quotations are submitted on a timely basis to the county procurement directorate and the lowest quotation is identified. Suppliers are given three days to match that quotation or submit a lower bid.

Award is given to the lowest bidder through an online notice and the contract or purchase order is subsequently confirmed in writing.

Required:

- (a) Evaluate whether the county government is getting value for money by embracing this e-procurement system. (10 marks)
- (b) Discuss FIVE possible technical problems that must be overcome before suppliers gain confidence in this electronic system. (10 marks)
- (c) Evaluate the suitability of this e-procurement system in the procurement of complex civil works that involve design and building construction. (10 marks)
- (d) Assess the skills required by the procurement staff to effectively implement the e-procurement system. (10 marks)

(Total: 40 marks)

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CERTIFIED PROCUREMENT AND SUPPLY PROFESSIONAL (CPSP)

PART I

SUPPLY CHAIN MANAGEMENT INFORMATION SYSTEMS



MONDAY: 27 November 2017.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

SECTION A

QUESTION ONE

- (a) Describe the term “expediting by exception” as a tool in e-purchase-to-pay (E-P2P) cycle. (5 marks)
- (b) Explain the concept of “self-billing” as used in the e-payment processes. (5 marks)
- (c) State FIVE factors that must be considered in an e-reverse auction process. (5 marks)
- (d) Analyse FIVE benefits of an e-supply chain management system to both the buyer and supplier. (5 marks)

(Total: 20 marks)

SECTION B

QUESTION TWO

- (a) An information system comprises of components that collect, manipulate and disseminate information.
Evaluate the term “information technology management” in business. (10 marks)
- (b) Examine the steps that a procuring department would take in developing an e-procurement strategy. (10 marks)

(Total: 20 marks)

QUESTION THREE

- (a) Technology and people are two key “enablers” without which e-procurement cannot successfully fulfill its intended purpose.
Discuss each of the above two enablers. (10 marks)
- (b) Discuss FIVE reasons for the need to introduce an Electronic Data Interchange (EDI) system in a procurement department of an organisation. (10 marks)

(Total: 20 marks)

SECTION C

QUESTION FOUR

Case Study

Milele Baby Products Ltd. (MBPL) was started in the late 1990s to produce and market baby care equipment. Its products are reputable in terms of durability and robustness to withstand mishandling. In due course, Milele Baby Products Ltd. expanded its production facilities to four countries within the East African region. This strategy enabled the company to become a global supplier.

The new globalisation strategy required MBPL to identify key focus areas, as follows:

- New products development.
- Enhanced quality of products.

- Develop low cost leadership strategy to compete with new entrants from low cost countries.
- Automate its supply chain.

The organisation is considering the options available for its new automation project, that is, to develop an in-house tailor-made system or acquire an off-the-shelf software.

Required:

- (a) Summarise how MBPL can utilise E-B2B and E-B2C tools in its supply chain. (10 marks)
- (b) Advise MBPL management on whether to purchase an off-the-shelf software or a customised one. (10 marks)
- (c) The decision to automate its supply chain system can expose MBPL to various information system risks.
Explain FIVE such risks. (10 marks)
- (d) Describe how information assurance can be used to enhance information security for MBPL. (10 marks)

(Total: 40 marks)

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