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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR FOUR**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 443**

**COURSE TITLE: ELECTRONIC PROCUREMENT**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 16/08/2021 TIME: 3.00-5.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

**E-Marketplace**

Built by IBM, the e-marketplace has been described as a “ﬂea market” where public and private sector can purchase directly from suppliers’ catalogues or submit a request for quotation. The e-marketplace is open to all buyers and suppliers. For organizations that have adopted e-procurement, the registration of suppliers is completed online and includes standard details such as the size of the organization and a guarantee of quality. Supplier authentication is based on trust.

Unlike the e-shop, the e-marketplace is based on a single vendor product catalogue where products are found in speciﬁed areas. For example, a red pen and a blue pen are described by two different rows – 12 pens with 12 colors use 12 rows. Over a period of six months, the rows have increased from 10,000 to approximately 22,000 with almost 60 suppliers. However, as the number of line items increase, the ability to ﬁnd goods in the catalogues is less easy. This time consuming process requires multiple staff. Resources are also required to set up the initial interface with suppliers, add catalogues and encourage suppliers to join the marketplace. The registration of buyers is completed online, and all buyers must register a digital signature that is required to authenticate orders. Orders can only be placed online.

**QUESTION ONE**

1. Electronic marketplaces have proven to be a popular addition to e-procurement software for suppliers, distributors, agents and customers. Discuss the five enablers that e-procurement systems rely on (10 Marks)
2. The rise in the usage of e-market places has led to increased usage of e-payment systems. Discuss five issues that characterize the e-payment systems (10 Marks)
3. To successfully conduct business transaction on e-marketplaces and e-procurement platforms, there are key security requirements for both the buyers and sellers. Discuss any five of these requirements (10 Marks)

**QUESTION TWO**

1. Ethical negotiations can only take place in a climate of trust which may not be completely possible between different parties. In view of this, there has been an argument for or against negotiation cannot be completely ethical in procurement. Justify the arguments (10 Marks)
2. Explain the history of Electronic Procurement dynamics with regard to Electronic data interchange (10 Marks)

**QUESTION THREE**

1. Paper based tendering system has many drawbacks as far as achievement and performance is concerned. Using relevant examples discuss major impediments encountered by using Manuel methods (10 Marks)
2. Using elaborate procurement steps Compare and contrast Procurement process and procedure for electronic and Manuel procurement methods (10 Marks)

**QUESTION FOUR**

1. Explain how electronic procurement system promotes transparency, competition and efficiency (10 Marks)
2. ERP is an example of E-procurement technologies that is widely used by organizations that have adapted e-procurement. Identify seven features of ERP and their benefits in e-Procurement (10 Marks)

**QUESTION FIVE**

1. E-auctioning is one of the activities in e-procurement, describe the steps involved in an e-auction process (5 Marks)
2. Discuss five applications providers of E-Procurement and their usefulness in E-Procurement Application (10 Marks)
3. Discuss two types of e-procurement software applications. Highlight four advantages of each application (5 Marks)