



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT

EXAMINATION PAPER

COURSE CODE : CPS 406

COURSE TITLE : E-PURCHASING

SPECIAL REQUIREMENTS : NO SPECIAL REQUIREMENTS

DURATION : 3 Hours

LEVEL : 4:2

DATE : 29 NOV 2022

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. **QUESTION ONE IS COMPULSORY**
3. Answer **QUESTION ONE AND ANY THREE (3)** questions.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets
[]
6. Use of practical examples where necessary is encouraged

SECTION A

QUESTION ONE

Implementation of E-Purchasing at Aprilia Pvt Ltd

The company. Aprilia was founded following the Second World War as a bicycle manufacturer. Today it is the second largest manufacturer of motorcycles and scooters in Europe and offers a complete range of two-wheel vehicles. In 2000, Aprilia manufactured 240,000 scooters and motorcycles ranging from 50 to 1000 cc. In just 30 years, Aprilia has become a point of reference in the global motorcycle industry. In addition to its headquarters, the company has five other centers (four in Italy and one in San Marino) and seven foreign branches (five in Europe, one in the USA and one in Brazil). Aprilia won 15 titles in world racing championships between 1985 and 2000. Furthermore, 2000 was important because Aprilia bought two historical companies of Italian motorcycles: Laverda and Moto Guzzi. Procurement.

The goal of Aprilia's e-procurement projects is to involve the suppliers with which the company already had a consolidated and trusting relationship. In particular, the aim is to make the procurement stage of the delivery plan more efficient by reducing the time taken by the communication process between the players and by reducing the errors that result from traditional methods of communication. To achieve these goals, an environment must be used where all information is coded and which is accessible for all of Aprilia's main suppliers, from both practical and financial points of view. Carrying out an e-procurement project which involves players that interact with irregular frequency has proven to be difficult except for products whose specifications can be defined and specified in a simple way such as catalogue items.

The company already had an ERP type management system when the e-procurement project was initiated. The ERP project began by extending the information network to external sales businesses, post-sales, logistics and production. The implementation of the e-procurement project made it possible to digitize the delivery plan. This leads to greater flexibility and better control of the goods supplied.

The difficulty proved to be identifying the items to be manufactured or purchased. Also the item codes as precisely as possible and as close to the beginning of the production stage as possible. The information regarding the delivery plan come from MRP. The delivery plans are then published on the company's Internet site. The suppliers can access the site in a "collaboration" environment where they can see the plans and download them from the network. Because the Supply Chain at Aprilia is based on the delivery plans, by making them as efficient as possible, the efficiency of the entire Supply Chain can be improved.

QUESTION ONE

- (a) What are the barriers to implementation of e-purchasing that are likely to be faced by Aprilia Pvt Ltd management? [10marks]
- (b) Give Aprilia the advantages of e-procurement as well as the benefits that they will adopt after successful implementation of e-purchasing at their organisation. [15marks]

SECTION B

QUESTION TWO

E-purchasing is the new generation of the purchasing function'. Discuss [25marks]

QUESTION THREE

- (a) Evaluate the role of e-purchasing in the purchasing process. [15 marks]
- (b) What impact does e-purchasing have on the internal and external stakeholders? [10marks]

QUESTION FOUR

'Discuss the importance of e-purchasing in supply chain management processes and operations. [25 marks]

QUESTION FIVE

Analyse the implications and critical success factors that are associated with business operations that have adopted e-purchasing. [25marks]