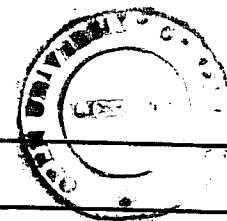


THE OPEN UNIVERSITY OF SRI LANKA  
FACULTY OF ENGINEERING TECHNOLOGY  
BACHELOR OF INDUSTRIAL STUDIES  
FINAL EXAMINATION -2006/2007  
MEX5257- INFORMATION SYSTEMS MANAGEMENT



DATE : 07 APRIL 2007  
TIME : 0930-1230 HRS  
DURATION : 3 HOURS



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*Answer five (05) questions including Question No. 1.*

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### 1. Case Study - Centralisation of Purchasing

ABC plc is a medium sized manufacturing company, with separate departments for the major activities of the business. Each department is currently responsible for its own purchase ordering and goods received system, covering raw materials, consumables and small items of office equipment. Invoices are received by the accounts department for recording, checking and subsequent payment.

A new system of purchase ordering and goods received is proposed, whereby goods are requisitioned by the user departments, but are ordered centrally. Items which are common to several departments, e.g. stationery, will also be stored and issued centrally.

The new purchasing department will obtain quotations from suppliers and raise purchase orders. One copy of the order will be sent to the supplier, a second copy sent to the requisitioner, and a third copy retained in a purchase order file. When the goods are delivered to the central warehouse, the accompanying delivery note will be checked against the goods, and a goods received note (GRN) raised. A copy of the GRN will be sent to the purchasing department for comparison with the copy order. Matched GRNs and copy orders are filed together, and any queries placed on a queries file. When the invoice arrives in the purchasing department, it will be compared to the order and GRN. If approved, the invoice is passed to the account department for recording and payment, and the GRN and copy order are filed in a 'completed orders' file. If it is not approved, the documents are placed on the queries file.

It is envisaged that the new procedures will be incorporated into the company's existing centralized computer system in due course, and will be integrated with other accounting systems.

Your are required to

- 1.1 identify five problems which are likely to exist in ABC plc's current method of purchase ordering and goods receiving system and explain how they may be alleviated by the proposed centralized purchase ordering and goods received system;
  - 1.2 evaluate three benefits which could arise from the integration of the purchase ordering and goods received system with the existing computerized accounting system of ABC plc;
  - 1.3 describe four advantages of a centralized computer system over one which offers distributed processing facilities.
2. Management Information Systems (MIS) should facilitate decision making at all levels of management and each level requires information with different characteristics in different degrees.
    - 2.1 Compare briefly the types of decisions to be taken at each level of management and the requirements of information
    - 2.2 What is a Strategic Information System (SIS) and how can SIS play a strategic role of an organization.
  3. "Teleworking is performed away from direct supervision of employers and delivered to and received from workers by IT based communication systems" Review the reasons as to why an organization might be attracted towards teleworking.
  4. Critically evaluate the reasons for failures and success of IT in a business organization.
  5. Describe E-commerce and E-business and identify its benefits to the society, consumer and organization. What are the barriers in implementing E-commerce solutions in Sri Lanka?

6. 6.1 Differentiate between two major types of software
- 6.2 Describe in your own words the followings;
  - 6.2.1 Batch and on-line processing
  - 6.2.2 Multi-media
  - 6.2.3 Artificial Intelligence
  - 6.2.4 Internet and intranet
  - 6.2.5 E-market place
7. " The internet worked enterprise is the best model for the business use of information technology in the 21<sup>st</sup> century" . Do you agree? Give reasons.
8. Can computers think? What are the business applications of AI in business?

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