

**BSC COMPUTER TECHNOLOGY**

**SECONG YEAR, SEMESTER 1**

**BIT 2119: MANAGEMENT INFORMATION SYSTEMS ASSIGNMENT**

**Use the text below to answer Questions below**

Business travels and entertainments are requirements of many jobs and often a hefty component of corporate expenses. According to American Express Technologies travel entertainment for Kenyan companies’ amount to more than Ksh 200 billion each year. In 2004; Sanal Global Enterprises spent Ksh 400million on airline Tickets alone while Modern Business Enterprises spent Ksh 250 million.  
  
Processing travel and entertainment expenses report adds to the cost. The cost to process a single expense report is Ksh 3000. An employee takes approximately 57 minutes to complete an expense report. Processing travel and entertainment expenditures is especially burdensome for smaller companies whose processes tend to be paper-based. About 650 of Sanal’s 1200 employees regularly file expense reports to its accounting department. 3 full-time employees are required to manually approve process and audit 300 expense reports per week, most from remote location. Expense disbursements are delayed for several weeks.  
  
Sanal Global Enterprises has decided to implement Concur Expense Service Software, which automates the travel and entertainment expense reporting process. Employees can input their expense data via a web interface from wherever they are working with a computer or by telephone or Palm handheld device. The system also automatically imports travel and expense data from corporate credit cards. Electronic receipt imaging uses any available fax machine to digitize and attach receipts to expense reports.  
  
Managers approve reports with just a mouse click, cutting processing time in half while boosting accuracy and productivity. Reports produced by the system help mangers keep tabs on travel spending as transactions occur. Control and compliance tools help firms minimize fraud and maximize compliance with company policies and government regulations. A built-in audit feature automatically flags expenses that are not in compliances with the company policies. This feature help companies identify who are not booking airline flights with their company’s preferred vendors, those who are “padding” their expense account with fictitious expenses for taxis and tips, or even those who use their expense accounts for unauthorized purchases.  
  
Since implementation of the said systems, Sanal Global enterprises have been able to reduce staff size for travel and expense processing down to one person and reduce the time to reimburse employees to a few days. It has used information provided by the system to negotiate better rates from the preferred vendors, saving over Kshs 134 million. Altogether, Sanal Global Enterprises has realized over Kshs 1 million in savings representing a return on investment of 19 percent per year. Given that the system implemented for Sanal Enterprises are web based a number of security issues needs to be addressed to safeguard the system against online fraud.  
  
The managing director of the company thinks that a lasting solution to the company’s problem would be to implement an information system that spans functional areas, focus on executing business processes across business firm, and include all level of management. He feels the company can evaluate two options available for implementing this system. The options available at their disposal include buying a ready made solution or in house development.  
  
  
**Questions**  
a) Suggest any three kinds of systems that are described in this case? What kind of information do they provide? (5marks)  
  
b)The implementation of the said system must have arisen due to a number of business problems. What problems do the automated expense reporting systems solve for the company? (3marks)  
c) Explain the term online fraud citing two ways in which they can manifest themselves in the above case (4marks)  
d) Discuss four methods that can be used to secure the system from this abusive use (4marks)  
  
e) Discuss any four objectives that could have led Global Enterprises to invest in this information system (4marks)  
f) The development of Concur Expense Service Software System required certain organizational and technical issues to be addressed. Identify and discuss the key organizational and technical issues the organization must address before implementing this system (5marks)  
  
g) Discuss any two methods that Sanal Global Enterprises could have used to determine the potential profitability of this system (5marks)