



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
(MMUST)
MAIN CAMPUS**

**UNIVERSITY SPECIAL/SUPPLEMENTARY EXAMINATIONS
2021/2022 ACADEMIC YEAR**

THIRD YEAR SPECIAL/SUPPLEMENTARY EXAMS

FOR THE DEGREE OF

BACHELOR OF INFORMATION SYSTEMS AND KNOWLEDGE MANAGEMENT

COURSE CODE: BIK322

COURSE TITLE: STRATEGIC MANAGEMENT OF INFORMATION SYSTEMS

DATE: MONDAY 01-08-2022

TIME: 8:00a.m-1:00a.m

INSTRUCTIONS: Please attempt question one and any other two questions

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

Paper Consists of 3 Printed Pages. Please Turn Over



1) Question one (30 MARKS)

- a) Distinguish between the following concepts in HCI (10mks)
 - i) competitive strategy and competitive advantage
 - ii) Corporate strategy and Business Strategy
 - iii) Strategic Information Systems and Information System Strategy
 - iv) Rightsizing and downsizing
 - v) Corporate strategy and Strategic advantage
- b) The value chain concept, developed by Michael Porter, views a firm as a series, chain, or network of basic activities that add value to its products and services and thus add a margin of value to both the firm and its customers.
 - i) Distinguish between primary processes and support processes (2mks)
 - ii) Describe the role of Information Systems in both primary and support processes in MMUST using the Value Chain Model (8mks)
- c) The result of the failure of a company to have an IT strategy in place is that information Systems may not be integrated thus causing duplication of effort, inaccuracy, delays and poor quality management information. Discuss why this is problematic (10mks)

2) Question Two (20 MARKS)

Proper use of Information Systems can give an organization very effective competitive advantage in its marketplace. Consequently, IT/IS have become an indispensable component in modern organizations' competitive strategy.

- a) Distinguish between organization structure and functional structure. Use suitable models to illustrate your answer (4mks)
- b) If you were conducting a SWOT analysis of an IT department, discuss the key factors you may consider (8mks)
- c) In developing your organization's competitive strategy, briefly explain how IT/IS can be used as a strategic resource (8mks)

3) Question Three (20 MARKS)

IS/IT can affect the industry structure by altering each of the five competitive forces and create industry attractiveness. It has helped firms establish competitive edge by lowering costs and enhancing differentiation, spawn new business by making existing businesses

technologically feasible, create derived demand for new products and establish new businesses within existing ones. Discuss

4) Question Four (20 MARKS)

- a) Briefly, explain what transpires at the THIRD and FOURTH stages of Nolan's life cycle model and their relevance to IT/IS management (10mks)
- b) You are an IT Manager in an organization that is going through economic challenges and as a head of department, the management has directed you to cut down your budget. Briefly, discuss the options available to you for making your department viable (10mks)

5) Question five (20 MARKS)

Write some brief notes on the following ICT resources management concepts:

- a) Outsourcing
- b) Leasing
- c) Rightsizing
- d) Downsizing
- e) Critical success factors