



(University of Choice)

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

**UNIVERSITY REGULAR EXAMINATIONS**

**2022/2023 ACADEMIC YEAR**

**FOURTH YEAR FIRST SEMESTER EXAMS**

**FOR THE DEGREE OF**

**BACHELOR OF INFORMATION SYSTEMS AND KNOWLEDGE  
MANAGEMENT**

**COURSE CODE: BIK411**

**COURSE TITLE: STRATEGIC INFORMATION SYSTEMS**

**DATE: 7<sup>th</sup> December 2022      TIME: 12:00 PM – 2:00 PM      2 Hours**

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**INSTRUCTIONS: Please attempt QUESTION ONE and any OTHER TWO QUESTIONS**

**MMUST observes ZERO tolerance to examination cheating**

**Paper Consists of 3 Printed Pages. Please Turn Over**

**1) Question one [30mks]**

- a) Distinguish between the following concepts:
  - i) Nolan's cycle model and Porter's competitive forces model (3mks)
  - ii) Strategic information systems and Information systems strategy (3mks)
  - iii) Organization's Goals and corporate Objectives (3mks)
- b) A **learning organization** is an organization that is skilled at creating, acquiring, and transferring knowledge and at modifying its behaviour to reflect new knowledge and insights.
  - i) Briefly explain how adopting a learning organization approach can complement strategic management efforts (4mks)
  - ii) Briefly, explain how you can use IT and IS as an enabler in this context of a learning organization (4mks)
  - iii) Outline the activities involved in Environmental Scanning in strategy development (4mks)
- c) The **organizational learning theory**, says that an organization adjusts defensively to a changing environment and uses knowledge offensively to improve the fit between itself and its environment. Considering any companies or organizations known to you (both locally and internationally) that have either collapsed, are facing survival challenges, or overcame competition and are thriving, discuss how their predicament can be related to this theory. In your answer, consider the role and application of emerging Information Technologies (9mks)

**2) Question three [20mks]**

Michael Porter's Competitive Forces Model describes how various forces (i.e. the threat of entry of new competitors, the bargaining power of suppliers and customers, the threat of substitute products or services and the rivalry among existing firms in the industry) affect competition in an industry. Discuss how Strategic Information Systems can help an organization deal with the threats (20mks)

**3) Question two [20mks]**

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. Give suitable examples to illustrate your answer (3mks)
- b) In developing your organization's competitive strategy, briefly explain how you would position IT/IS in the strategic plan (7mks)
- c) As an IT manager, you may need to choose between outsourcing and leasing capital resources to reduce on costs running the department. Which option will you prefer? Discuss your choice (10mks)

**4) Question four [20mks]**

- a) Distinguish between Corporate strategy and Business strategy. Give suitable examples to illustrate your answer (4mks)
- b) 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.
  - i) Using the Porter's Value Chain model, briefly explain how ICT resources can be used in an organization (8mks)
  - ii) There are many benefits of having an IT/IS strategy. Briefly explain the consequences of not having an IT/IS strategy (6mks)

**5) Question five [20mks]**

- a) If you were to choose between analytical and economic appraisal model for appraising ICT investment decisions one appraisal model, which one would you prefer? Justify your answer (10mks)
- 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 (8mks)

