The Management University of Africa

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POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

MBA 508: STRATEGIC MANAGEMENT INFORMATION SYSTEMS

DATE: 3rd AUGUST 2023

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE is compulsory.**
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the case study below and answer the questions that follow.

DELL COMPUTER CORPORATION

Dell Computer Corporation is a major manufacturer of personal computers, computer peripherals, and software. Among the leading producers of computers in the world, Dell sells its products directly to customers through the Internet and mail-order catalogs rather than through retail outlets. The company is based in Round Rock, Texas. At Dell Computers, customers are brought into the product planning and manufacturing processes, with all employees encouraged having contact with customers. Through effective collaboration across boundaries, ideas can be shared about product designs and value propositions. The result is faster and more customer-focused product and service innovation. The new company soon began manufacturing its own IBM- compatible computers under the name PCs Limited. Because Dell sold computers directly to users through advertisements in magazines and catalogs, the company could price its machines lower than those sold through retail stores. Sales reached nearly $6 million during the company's first year, climbing to $34 million the following year. By 1987, Dell was the leading mail-order computer company in the United States. In that year, it created a sales force to target large corporations and began adding international offices to capture the direct-mail market outside the United States. While the company continued to grow rapidly; Dell experienced a series of setbacks that hurt profits. In 1990, the company began selling computers through retail stores, an effort it abandoned in 1994. In 1991, Dell launched a line of notebook computers, but quality problems and inadequate production planning forced the company to stop selling for a year. In 1994, Dell launched a new line of notebook computers and expanded efforts to increase overseas sales. Dell also began focusing on the market for servers, which used the computers to run local area networks. By the late 1990s, Dell was firmly in place as the world's number one direct seller of computers. More than 50

percent of the company's computer sales transactions took place via its website, which generated worldwide sales in excess of $40 million a day.

Information Processing Tools

Information processing or Data processing is the analysis and organization of data. It is used extensively in business, engineering, and science and an increasing extent in nearly all areas in which computers are used. Businesses use data processing for such tasks as payroll preparation, accounting, record keeping, inventory control, sales analysis, and the processing of bank and credit card account statements. Data processing is used extensively in business, engineering, and science and to an increasing extent in nearly all areas in which computers are used. Data processing is divided into two kinds of processing: database processing and transaction processing. A database is a collection of common records that can be searched, accessed, and modified, such as bank account records, school transcripts, and income tax data. In database processing, a computerized database is used as the central source of reference data for the computations. Transaction processing refers to interaction between two computers in which one computer initiates a transaction and another computer provides the first with the data or computation required for that function. The information processing tools that Dell uses include computers, the internet, maps, spreadsheets, models, and databases. For the operational level of Dell, the most appropriate tool for information processing is maps. Through the said information processing tool, decisions on how to operate the organization can be initialized and made. Maps can be used to determine which country/place information will be acquired from, it can also assist in determining the demographic level of people and information will be gathered. Maps can be in the form of charts that can also provide necessary information. The information gathered in turn can assist in helping to decide how an organization will be operated. For the tactical level of Dell, the most appropriate tool for information processing is databases. Through the said information processing tool, the records that can assist in finding out the strength and weakness of the

company can be used to determine the tactic that will be used by the organization. For the strategic level of Dell, the most appropriate information processing tool is the internet or World Wide Web. Through the internet, trends and strategies by other companies can be known. After analyzing the trends and strategies used by other companies, an appropriate strategy can be formulated to use by the organization. Individual businesses need, first and foremost, an efficient inventory control system. This implies the minimum amount of inventory that will provide the consumers with what they need whenever and wherever they need it. The inventory control systems used by Dell is up to date and reliable to prevent problems to arise. The inventory system of Dell makes sure that anything the consumer need will be available to them at any given time. It is also what the company uses to know if certain products are still available or misuse of the inventory system may cost problems to the company.

Required

a) Comment on the MIS in Dell and suggest the positives and negatives of MIS in Dell? **(10 Marks)**

b) The dell directly sells its computers to the customer. Suggest the best e-commerce business model giving relevant benefits that Dell Company will enjoy **(10 Marks)**

c) Develop the information flow diagram for dell and suggest some improvement in the same. **(10 Marks)**

QUESTION TWO

a) You are a consultant who has been engaged to advise an organization on the development of an MIS strategy. Discuss how information technology and systems could be used to manage competitive forces. **(4marks)**

b) Describe three trends in the global business environment that have made information systems so important **(5Marks)**

c) Discuss how The Internet and emergence of digital firm has given rise to the concept business ecosystems **(6Marks)**

QUESTION THREE

a) Discuss how from an economic point of view, information systems technology can be seen as a factor of production that can be freely substituted for capital and labor. **(6 Marks)**

b) Enterprise applications are systems that span functional areas, focus on executing business processes across the business firm, and include all levels of management. Evaluate Four Enterprise applications **(9Marks)**

QUESTION FOUR

a) Using relevant examples explain how an organizational strategy determines information systems structure. **(5 marks)**

b) A bank has decided to expand its customer base by use of m-Banking instead of opening very many branches and maintain expensive staff. Explain how such a Strategic Information System could be used to obtain competitive advantage and the advantages that could be achieved. **(10 marks)**