

Roll No.

Total No. of Pages : 04

Total No. of Questions : 09

MBA (Executive) (Sem.- 4)

MANAGING THE INFORMATION DIMENSION

Subject Code : MBX-402

M.Code : 74446

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A** contains **TEN** questions carrying **TWO** marks each and students has to attempt any **EIGHT** questions.
2. **SECTION-B** consists of **SEVEN** questions each carrying **SEVEN** marks each and student has to attempt any **FIVE** questions.
3. **SECTION-C** is consist of **ONE** Case Study carrying **NINE** marks.

SECTION-A

1. Answer briefly :

- a. How knowledge can be acquired from data?
- b. Discuss briefly business perspective of information systems.
- c. Discuss the role of Executive Information Systems.
- d. Discuss some of the important social issues related to information system.
- e. Discuss some of the IT Governance issues.
- f. What are Data Warehouses?
- g. What is meant by Data Mining?
- h. What are the Enterprise Systems?
- i. How Knowledge Management Systems are different from simple Management Information systems?
- j. What is relevance of System Analysis and Design?

SECTION-B

2. Discuss the importance of Information Systems subject from the perspective of MBA students? Explain by citing examples.
3. Discuss the application of information systems in the area of Manufacturing and Production.
4. Discuss how information systems impacts an organization. Explain by taking the example of service sector.
5. Discuss how you can secure the information systems of an organization?
6. Discuss important approaches to building information systems. Explain by listing pros and cons of each technique.
7. Discuss the role of information systems in managing global supply chain.
8. Which maintenance technique of Information Systems is suited at which situation? Discuss by citing examples.

SECTION-C

9. Allegiant Airline

Allegiant Airline is low cost American airline which is owned by Allegiant Travel Co. It operates scheduled and charter flights. It is headquartered at Summerlin, Nevada which is a small sub-urban Community in Las Vegas. The airline is a publicly traded company with more than \$2.6 billion US dollars in market capitalization and employs around 2,848 people. It was originally founded as 'High End' charter airline, which now runs as different business altogether and later as West Jet Express in 1997 by Mitch Allee, who is now CEO of the firm? Starting 1998, it began its scheduled operating services and then started nonstop jet services to a number of destinations. However, by 2000, it was unable to cover its costs and therefore, filed for bankruptcy protection. This was the time when one of the major creditors of the airline, Maurice J. Gallagher, gained control of the firm and started reorganization of the operations at the firm. By June 2001, Gallagher restructured the airline into a low cost model and changed the focus towards smaller markets which larger airline did not tap. By 2002, it was successfully out of bankruptcy and now is recognized as America's 100 best small companies, and is among Fortune 100's fastest growing companies. It is also titled as top performing low cost carrier by Aviation Week.

The key question which arises is that how Allegiant Airline transformed itself into a leading low cost carrier. With low cost carrier strategy, organizations need to be very careful because although customers want the product/service at a discounted price, they do not wish to compromise on the basic facilities-that are attached to a particular product or service. This fact is more relevant in case of airline industry as you cannot afford to compromise on the safety of the passengers to lower the cost. Allegiant Airline implemented the low cost carrier strategy in two different ways. The first was to amend the basic facilities required by passengers and second was to reduce the operational expenses.

The management of Allegiant Airline firstly analyzed the services that were provided to its passengers in order to reduce or amend those services to cut costs, but at the same time without compromising on the safety of the passengers. The first change that Allegiant Airline brought was termed as ancillary revenue, which would supplement ticket revenue. For any extra service availed by passenger, the airline charge ancillary fees such as for carrying luggage in addition to small personal items, for purchase of food and drinks on board, for advance ticketing, payment through credit cards and so on. Besides, it also advertises travel packages on its website since it has tie ups with 34 hotels in popular destinations. It earns commissions through these packages by offering hotel rooms, car rentals and entry passes for major tourist destinations in that location. This makes for around one third of the revenue earned by the firm.

The major reduction in Allegiant Airline costs was brought about by the reduction in operational expenses. To save the huge operational costs, Allegiant Airline implemented information system. The management information system is applied in following manner:

1. **Yield Management System** - The most important aspects in Allegiant Airline are ticketing and routes. Yield Management System helps to sell tickets at the most appropriate price and optimally manage the routes. Through the application of Yield Management System, Allegiant Airline managed to sell the same type of seat on the same route at different prices. Since Allegiant Airline adopted the policy of flying only with economy class, so all economy class seats on a given route on the same flight were charged at different prices. Yield Management System charges the passengers based on the advance reservations made by them. The passengers who reserve tickets in advance are charged less for the same seat by the system as compared to a passenger who reserves later or on the same day of boarding flight. This helped Allegiant Airline to reap maximum possible profit from tickets and also motivate passengers to go in for an advance booking. The system of advance booking of tickets helped Allegiant Airline to know in advance the status of tickets which are not yet sold. Moreover, it aids in route management since it indicates the demand on different routes. Allegiant Airline adjusts the prices of seats according to demand, such as for the routes with less demand, tickets are offered to customers at discounted rates.

2. **Customer Reservation System** - Allegiant Airline discontinued the conventional system of booking tickets through travel agents and agencies which amounted to 11 to 15% of the total expenses at the airline. Allegiant Airline implemented customer reservation system; probably the first of its kind, a web enabled online reservations suite provided by Navitain Open Skies Technology. This reservation system collects centralized data such as name, age, address, telephone, e-mail, fax, mobile, flight information, credit card details, billing address, passport number, nationality and country of residence and records them. It allowed customers to book tickets directly without any travel agents. Also Allegiant Airline saved money on paper tickets, since the system provided an option to print the tickets. This whole process helped Allegiant Airline to reduce its operational cost by 40-45%.
3. **Merlot.aero-** As the operations of Allegiant Airline grew exponentially, Allegiant Airline has now implemented Airline Operators Management Software which helps Allegiant Airline to forecast, organize predict and report the airline and crew activities in order to manage the overall operations. For example, applying this software, Allegiant Airline can very easily manage the crew requirement. Now a crew member can give advance intimation about his absence from his absence from his own personal mobile phone and with all the crew data available in this software, this software helps to find out best possible replacement for the absent employee. *Allegiant Airline Bhd chief operating officer, Bo Lingam said "With the new system in place, Allegiant Airline will be able to boost the on-time performance of our flights and maximize the use of our aircraft to serve more routes and increase frequency. "We are looking forward to substantial cost savings, which we can pass on to our guests in the form of low fares."* he said. This software notifies the flight schedule and the necessary information to all the important stakeholders on all the best possible avenues available in the social networking platform. This helps Allegiant Airline to remain connected with the important stakeholders. This software also helps to manage the critical activities of airline operations like flight schedule, network plan, aircraft portal and maintenance track and manages crew activities like crew payroll, crew roster, crew plan etc.

Questions :

- a. Discuss various strategies adopted by Allegiant Airline to transform itself into leading low cost carrier airline service. (3)
- b. Discuss how Allegiant Airline has applied information systems in the key areas to reduce the operational expenses. (3)
- c. Discover other avenues where information system can be applied by Allegiant Airline to further reduce the operational expenses. (3)

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.