



# MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY

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## University Examinations 2023/2024

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF  
BACHELOR OF INFORMATION SCIENCE

### CIS 3451: ECONOMICS OF INFORMATION

DATE: APRIL 2024

TIME: 2 HOURS

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INSTRUCTIONS: Answer *Question one* and any other *two*

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#### QUESTION ONE (30 MARKS)

- a) Describe economic of information and why it is important to information professionals in developing countries. (4 Marks)
- b) Describe the key features of information that make it a unique commodity from other goods and services in the economy (6 Marks)
- c) Below are the demand and supply equation.
- Supply -  $P_s = 2 + 3q$
- Demand —  $P_d = 17 - 2q$
- Using the two equations find the equilibrium price and quantity. (4 Marks)
- d) Give and explain any three trends in the information technology and how they affect the economy(6marks)
- e) Discuss the components of an information service centre budget (5 Marks)
- f) Explain the term Media and it's the contribution of media in economic growth in Kenya. (5 Marks)

## **QUESTION TWO (20 MARKS)**

- a) Information makes the economy go round. Discuss how various departments in organization use information generated from the ICT department to accomplish their roles. (5 Marks)
- b) Describe the information life cycle (5 Marks)
- c) Explain the laws of demand of a normal good in the market and give exception to this law an economy (6 Marks)
- d) Distinguish between intrinsic value of information and the business value of information as used in the information and data evaluation (4 Marks)

## **QUESTION THREE (20 MARKS)**

- a) Describe key pricing strategies that an infopreneur can adopt when pricing his or her information goods (6marks) b) Describe evaluation of information highlighting its roles under key functions of an information service. (5 Marks)
- b) Define procurement and describe the procurement process in Kenya (5 Marks)
- c) Discuss the key characteristics of the information economy that differentiate it from the traditional economy (4 Marks)

## **QUESTION FOUR (20 MARKS)**

- a) Discuss the key sources of business ideas that an information professional can employ to identify a market need thus develop an information product (6 Marks)
- b) Describe the economics price theory (4 Marks)
- c) Describe some of the factors that might have led to development of the information society in Kenya (5 Marks)
- d) Discuss some of the cost incurred in developing and maintaining a county information library. (5 Marks)

## **QUESTION FIVE (20 MARKS)**

- a) One of the information Science experts, is considering starting an information related business and apply skills learnt add value in the economy, but he was faced by various dilemma of some matters.
  - i. Describe to him some of the areas that he can venture into. (4 Marks)

- ii. Give and explain some of the factors that may affect the supply of information product in the new market (6 Marks)
  - iii. Highlight and give solutions to some of the challenges that he might face as an infopreneur in a developing country. (5 Marks)
- b) Describe the information industry and the place of information in the industry. (5 Marks)