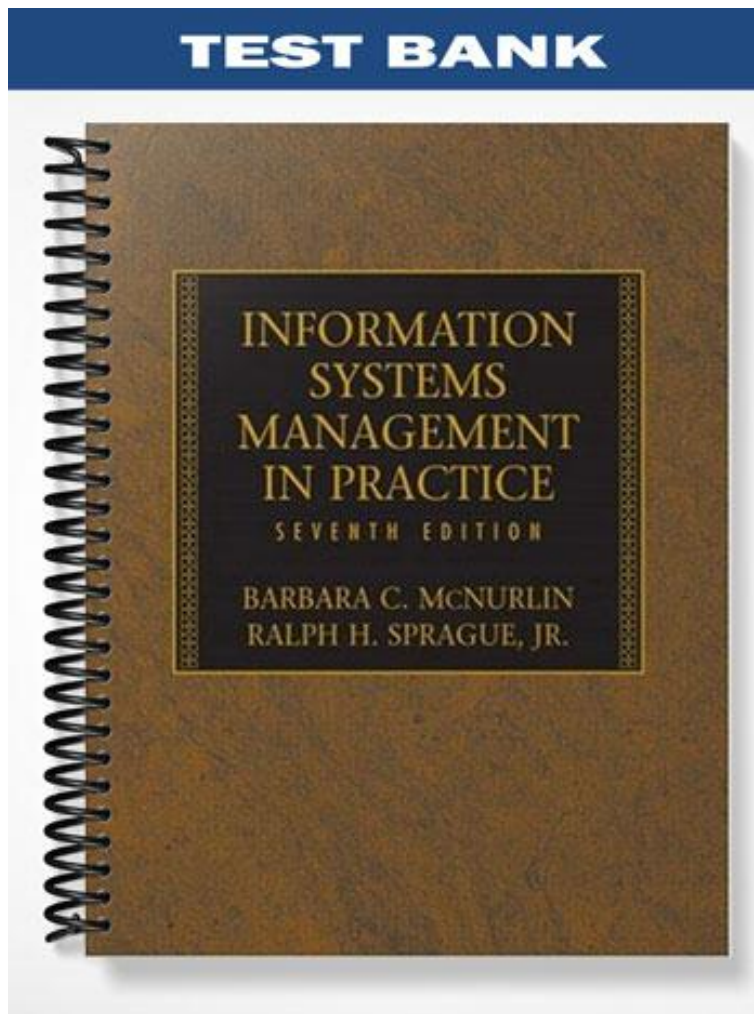


**TEST BANK**



**INFORMATION  
SYSTEMS  
MANAGEMENT  
IN PRACTICE**

SEVENTH EDITION

BARBARA C. McNURLIN  
RALPH H. SPRAGUE, JR.

## Chapter 2

### The Top IS Job

#### True-False Questions

1. The term *waves of innovation* define how IT is used by industries and by enterprises.  
**Answer: True**                      **Difficulty: Easy**                      **Reference: p. 50**
2. Items above the line in the waves of innovation model all require a management focus on operation control.  
**Answer: False**                      **Difficulty: Medium**                      **Reference: p. 50**
3. All traditional responsibilities for IS departments focus on cost reduction.  
**Answer: False**                      **Difficulty: Easy**                      **Reference: p. 55**
4. A recent shift in IS organizations has been towards developing IT computer operations centers.  
**Answer: False**                      **Difficulty: Easy**                      **Reference: p. 55**
5. Architecture management is one of the biggest issues facing IS organizations in the future.  
**Answer: True**                      **Difficulty: Medium**                      **Reference: p. 56**
6. The impact of IS organizations have moved from a value added organization to a cost efficiency focused operation.  
**Answer: False**                      **Difficulty: Hard**                      **Reference: p. 57**
7. Senior executive involvement in guiding IT use is not needed until wave 5: Reaching the customer.  
**Answer: False**                      **Difficulty: Hard**                      **Reference: p. 51**
8. The IS organization model has evolved to a federal model of centralized and decentralized activities.  
**Answer: True**                      **Difficulty: Easy**                      **Reference: p. 58**
9. Database and network management work best when decentralized to place them closer to customer locations.  
**Answer: False**                      **Difficulty: Hard**                      **Reference: p. 59**
10. Today's CIO has an increased emphasis on IT governance than past eras.  
**Answer: True**                      **Difficulty: Easy**                      **Reference: p. 62**
11. During the mainframe era, the focus of IS was on the delivery of application systems.  
**Answer: True**                      **Difficulty: Easy**                      **Reference: p. 63**
12. During the distributed era, the focus of IS was to be a business visionary.  
**Answer: False**                      **Difficulty: Medium**                      **Reference: p. 63**
13. The role of the CIO has evolved to exclusively focus on contract and budget management.  
**Answer: False**                      **Difficulty: Medium**                      **Reference: p. 65**

14. A line of business is an organization unit that conducts business activities with common customers, products, and market characteristics.  
**Answer: True**                      **Difficulty: Easy**                      **Reference: p. 66**
15. A statement of how the future of the IS organization is going to look is called business alignment.  
**Answer: False**                      **Difficulty: Medium**                      **Reference: p. 68**
16. The role of the CIO has gotten easier over the years as the rate of change has steadily decreased.  
**Answer: False**                      **Difficulty: Easy**                      **Reference: p. 72**
17. Championing an IT innovation is an information-intensive activity.  
**Answer: True**                      **Difficulty: Medium**                      **Reference: p. 72**
18. Most organizations have centralized at IT functions in order to support increased IT governance requirements.  
**Answer: False**                      **Difficulty: Medium**                      **Reference: p. 75**
19. A feudal governance style is where one IT group and one business group share a right.  
**Answer: False**                      **Difficulty: Easy**                      **Reference: p. 77**
20. IT has commoditized to a point where all IT investments are now alike.  
**Answer: False**                      **Difficulty: Hard**                      **Reference: p. 80**

## Multiple-Choice Questions

21. Which wave of innovation focused on achieving clerical and administrative savings by automating manual processes?
- a. Wave 1: Reducing costs
  - b. Wave 2: Leveraging investments
  - c. Wave 3: Enhancing products and services
  - d. Wave 4: Enhancing executive decision making

**Answer: a**                      **Difficulty: Medium**                      **Reference: p. 51**

22. Which wave of innovation shifted attention to produce revenue by gaining a strategic advantage?
- a. Wave 1: Reducing costs
  - b. Wave 2: Leveraging investments
  - c. Wave 3: Enhancing products and services
  - d. Wave 4: Enhancing executive decision making

**Answer: c**                      **Difficulty: Medium**                      **Reference: p. 51**

23. Which wave of innovation focused on changing the fundamental structure of an organization?
- a. Wave 1: Reducing costs
  - b. Wave 2: Leveraging investments
  - c. Wave 3: Enhancing products and services
  - d. Wave 4: Enhancing executive decision making

**Answer: d**                      **Difficulty: Medium**                      **Reference: p. 51**

24. The traditional set of IS responsibilities includes all of the following except:
- a. Managing corporate data
  - b. Planning systems
  - c. Identifying opportunities for network expansion
  - d. Performing system analysis and design

**Answer: c**                      **Difficulty: Hard**                      **Reference: p. 54**

25. Which of the following is not true of outsourcing?
- a. The trend has been to centralize outsourcing management within the IT organization.
  - b. Companies see value in turning IS functions over to specialist companies.
  - c. Outsourcing can be an effective strategy.
  - d. All of the above are true

**Answer: a**                      **Difficulty: Hard**                      **Reference: p. 54**

26. According to Cox, which of the following is not a function of IS?
- a. Run operation
  - b. Develop architecture
  - c. Configure hardware
  - d. Identify business requirements

**Answer: c**                      **Difficulty: Medium**                      **Reference: p. 55**

27. Which of the following has been reduced by the growing capabilities of users?
- a. Network operations
  - b. Systems architecture
  - c. System maintenance
  - d. Business requirements identification

**Answer: d**                      **Difficulty: Easy**                      **Reference: p. 57**

28. The *IS Lite* model suggests that today's IS department should concentrate on:
- a. driving innovation.
  - b. managing supplier and user relationships.
  - c. developing website content.
  - d. A and B

**Answer: d**                      **Difficulty: Easy**                      **Reference: p. 59**

29. In the *IS Lite* model the development of Web site standards and operations is an example of the:
- a. outsource model.
  - b. federal model.
  - c. decentralization model.
  - d. None of the above

**Answer: b**                      **Difficulty: Medium**                      **Reference: p. 58**

30. Which of the following is true of today's CIOs?
- a. They are expected to safeguard the privacy of customer data.
  - b. They need to look for IT innovations.
  - c. They are expected to do more with not as much money.
  - d. All of the above

**Answer: a**                      **Difficulty: Easy**                      **Reference: p. 62**

31. The role of the IS executive in the \_\_\_\_\_ was that of being an operational manager of IS.
- a. Mainframe Era
  - b. Distributed Era
  - c. Web Era
  - d. None of the above

**Answer: a**                      **Difficulty: Easy**                      **Reference: p. 63**

32. The role of the IS executive in the \_\_\_\_\_ was to align IT with the business.
- a. mainframe era
  - b. distributed era
  - c. Web era
  - d. None of the above

**Answer: b**                      **Difficulty: Easy**                      **Reference: p. 63**

33. The role of the IS executive in the \_\_\_\_\_ was to be that of a business visionary.
- a. Mainframe Era
  - b. Distributed Era
  - c. Web Era
  - d. None of the above.

**Answer: c**                      **Difficulty: Easy**                      **Reference: p. 63**

34. During the distributed era, which role did the CIO have to take on?
- a. Organizational designer
  - b. Technology architect
  - c. Informed buyer
  - d. All of the above

**Answer: d**                      **Difficulty: Medium**                      **Reference: p. 63**

35. Which of the following is a method that a CIO could use to learn more about the business?
- a. Sponsor weekly briefings
  - b. Read industry publications
  - c. Partner with a line executive
  - d. All of the above

**Answer: d**                      **Difficulty: Easy**                      **Reference: p. 65**

36. Which of the following is the term that describes an organizational unit that conducts business activities with common customers, products, and market characteristics?
- a. line of business
  - b. simultaneous business unit
  - c. market alignment unit
  - d. None of the above.

**Answer: a**                      **Difficulty: Easy**                      **Reference: p. 66**

37. Which of the following is true of project champions?
- a. They need to be able to obtain project funding.
  - b. They need to establish a vision for the project and know how to implement the vision.
  - c. They should be willing to analyze and understand project risks.
  - d. All of the above

**Answer: d**                      **Difficulty: Medium**                      **Reference: p. 72**

38. To recognize a project champion, the CIO should look for people who are:
- a. avoiding established project approval processes.
  - b. conforming to established project guidelines.
  - c. reputed for their creative ideas and respect within the organization.
  - d. Both a and c

**Answer: d**                      **Difficulty: Easy**                      **Reference: p. 72**

39. The assignment of decision rights and the accountability framework to encourage desirable behavior in the use of IT is referred to as:
- a. knowledge management.
  - b. IT governance.
  - c. strategic alignment.
  - d. None of the above

**Answer: b**                      **Difficulty: Easy**                      **Reference: p. 75**

40. Which type of risk should be addressed by project managers within their project proposals?
- a. Risk that the project will fail
  - b. Risk of not doing the project
  - c. Risk that it is the wrong project for what is trying to be achieved
  - d. All of the above

**Answer: d**                      **Difficulty: Easy**                      **Reference: p. 87**

## Essay Questions

41. *Briefly describe the five IT waves of innovation.*

*Answer.*

Wave 1: Reducing Costs – Achieve clerical and administrative savings by automating manual processes

Wave 2: Leveraging investments – Effective use of corporate assets to increase profitability

Wave 3: Enhancing products and services – Shift use of IT to produce revenue by gaining strategic advantage or by creating entirely new businesses.

Wave 4: Enhancing executive decision making – Create real-time business management systems.

Wave 5: Reaching the customer – Restructure the industry by creating new businesses using the Internet, e-commerce and wireless technologies.

**Difficulty: Medium Reference: p. 51**

42. *Briefly describe Cox's four functions of IS.*

*Answer*

1. Run operations – running computers and networks

2. Develop systems – developing and maintaining systems, designing new systems, and updating existing ones

3. Develop architecture – setting a strategy and maintaining architecture for both IT and information, providing a framework or standard for systems operations.

4. Identify business requirements – helping articulate what the business needs from IT

**Difficulty: Easy Reference: pp. 54-55**

43. *List the three processes that comprise the IS Lite model.*

*Answer*

1. Driving innovation

2. Managing change

3. Supporting infrastructure

**Difficulty: Easy Reference: p. 59**

44. *Describe the federal model of the IS organization.*

*Answer:*

In the federal model some activities are centralized and others are dispersed to local business units. Centralized activities are those that achieve economies of scale by leveraging resources across the organization, such as setting standards and operations. Dispersed activities are those that are designed to meet the needs of individual business units, such as application development..

**Difficulty: Medium Reference: p. 59**



45. *Distinguish between the roles of the CIO in the mainframe, distributed, and Web Eras.*

*Answer*

In the mainframe era, the CIO was the operational manager of the IT function. In the distributed era, the CIO was expected to align IT with the rest of the business. In the web era, the CIO's role is to exploit the Internet providing a visionary contribution to the business strategy.

**Difficulty: Medium Reference: pp. 63-64**

46. *List five approaches a CIO could use to increase their understanding of the business and environment.*

*Answer*

1. Encourage project teams to study the marketplace.
2. Concentrate on lines of business.
3. Sponsor weekly briefings.
4. Attend industry meetings with line executives.
5. Read industry publications.
6. Hold informal listening sessions.
7. Partner with a line executive.

**Difficulty: Hard Reference: p. 65**

47. *What is a line of business?*

*Answer*

A line of business is an organizational unit that conducts business activities with common customers, products, and market characteristics.

**Difficulty: Easy Reference: p. 66**

48. *Why has IT governance become a prominent issue?*

*Answer*

IT spending has become so large and diverse that the decision-making process must be rationalized. It is important that decisions regarding the IT portfolio produce high contribution to business value. Lastly, legislation, such as the Sarbanes-Oxley Act has imposed external requirements for IT governance within organizations.

**Difficulty: Medium Reference: p. 75**

49. *Why should a CIO develop a strategic vision?*

*Answer*

A vision of a desirable future can provide stability when it sets direction for an organization. The CIO is expected to set the technical direction for the organization. He/she defines the enterprise's technical architecture, establishes technical standards, and ensures that the organization buys into the plan.

**Difficulty: Medium Reference: p. 68-69**

50. *How can the risk of technological change be managed?*

*Answer*

First, an evaluation of the scope of the change, the sponsor's commitment to the change, the change agent's skills, and the expected support or resistance must be performed. This assessment will help determine if the scope of the change is doable; whether the sponsors are strongly enough committed to push the change through; whether the change agents have the skills required to implement the change; and the strength of the resistance of the change targets. By attending to these issues, technological change can be implemented more successfully.

**Difficulty: Medium**

**Reference: p. 88**