**Chapter 14 :** Enterprise and Global Management of Information Technology

**True / False Questions**

1. Whether you plan to be an entrepreneur and run your own company, a manager in a corporation, or a business professional, managing information systems and technologies will be one of your major responsibilities.

True False

2. Information technology today is viewed as a helpful, but non-essential component of business success.

True False

3. Within an organization, the chief executive officer (CEO) and the chief security officer (CSO) lead the business/IT planning process so that IT is aligned with strategic business goals.

True False

4. According to the text, managing the development and implementation of new business/IT applications and technologies is a responsibility shared by the chief executive officer (CEO) and the chief information officer (CIO).

True False

5. According to the text, managing the IT organization and infrastructure includes the management of the hardware, software, databases, telecommunications networks, and other IT resources.

True False

6. A "best of breed" approach to technology management may sacrifice match-with-business needs for vendor homogeneity and technology platform choices.

True False

7. The conventional approach to managing IT human resources is to develop evolving workgroups that are organized around emerging IT-intensive business initiatives, with little explicit delegation of tasks.

True False

8. The conventional approach to managing IT human resources is to hire "best by position" personnel who bring specific IT expertise.

True False

9. In the early years of computing, the development of large mainframe computers, telecommunications networks, and terminals caused centralization of computer hardware and software, databases, and information specialists.

True False

10. The shift toward distributed client/server networks promoted a shift of databases and information specialists to the departmental level, and the creation of information centers to support end user and workgroup computing.

True False

11. A trend toward downsizing prompted a move back toward IT decentralization by many business firms.

True False

12. Project management is a key management responsibility if IT projects are to be completed on time and within budget.

True False

13. IS operations management is concerned with the use of hardware, software, network, and personnel resources at the individual workstations of all employees.

True False

14. Process control packages not only monitor, but automatically control, computer operations at large data centers.

True False

15. Today, few organizations still establish or enforce policies for the acquisition of hardware and software by end users and business units.

True False

16. Outsourcing IS/IT functions to skilled service providers is often a strategic approach to stretching strained budgets.

True False

17. Strategic use of an outsourcing approach to IS/IT functions can result in business growth without increased overhead.

True False

18. Outsourcing is usually not an option for smaller businesses.

True False

19. Supplementing an existing workforce with offshore support can allow for productivity 24 hours a day.

True False

20. Offshoring is often enabled by trade secrets and intellectual property, the transfer of which is never regulated nor taxed.

True False

21. According to the text, the key to high quality information system performance is extensive and meaningful managerial and end user involvement.

True False

22. Whether you become a manager in a large corporation or the owner of a small business, you will deal in some way with people, products, or services whose origin is not from your home country.

True False

23. Many countries have rules regulating or prohibiting the transfer of data across their national boundaries.

True False

24. Some countries have reciprocal trade agreements that require a business to spend part of the revenue they earn in a country in that nation's economy.

True False

25. Today's advanced communication technologies have made communication in real time across the world's 24 time zones a non-issue.

True False

26. Global IT managers must be sensitized to cultural differences before they are sent abroad or brought into a corporation's home country.

True False

27. An international business/IT strategy is multi-regional; a global perspective is region specific.

True False

28. The explosive business use of the Internet, intranets, and extranets for electronic commerce has made such applications more feasible for global companies.

True False

29. Software packages must be purchased from the same vendor in order to be compatible in multiple countries.

True False

30. Internet usage and population statistics show that the North America region has the highest Internet penetration rate.

True False

31. The United States is having trouble getting cooperation from European nation-states when it comes to cyber legislation and law enforcement.

True False

32. According to the text case, the primary objective of the Convention on Cybercrime treaty is to break the bottlenecks in international cyber investigations.

True False

33. Most of the world has decided that restricting Internet access is a necessary public policy.

True False

34. Having a global system can mean that maintenance activities performed during the night shift in New York can cause midday service interruptions in Tokyo.

True False

35. Common definitions are hard to develop; a "sale" in the United States may be known as an "order booked," an "order scheduled," or an "order produced" in other countries.

True False

36. Global systems development teams make heavy use of the Internet, intranets, groupware, and other electronic collaboration technologies.

True False

37. Managing the technology infrastructure (also called the technology platform) is a very minor part of global IT management.

True False

**Multiple Choice Questions**

38. Within an organization, managing the business/IT planning process so that IT is aligned with strategic business goals is the responsibility of:

1. The CIO
2. Both the CIO and the CEO
3. Both the CTO and the CEO
4. Both the CIO and the CSO

39. Within an organization, managing the development and implementation of new business/IT applications and technologies is the responsibility of:

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3. Both the CTO and the CEO
4. Both the CIO and the CTO

40. CIO and IT managers share responsibility for managing the work of IT professionals. In addition, they are responsible for managing the:

1. Hardware infrastructure
2. IT infrastructure of hardware, software, databases, and telecommunications networks
3. IT infrastructure of hardware and software
4. IT infrastructure of hardware, software, and human resources

41. All of the following changes have created an urgent need for centralization except:

1. The Internet boom inspired businesses to connect to multiple networks
2. Companies put essential applications on their intranets, without which their businesses could not function
3. Maintaining PCs on a network is very, very expensive
4. The number of qualified software programmers and PC repair technicians is dwindling

42. The decentralization of information services within an organization was prompted by which of the following?

1. The development of supercomputers
2. The development of microcomputers and distributed client/server networks at the corporate, department, and workgroup level
3. The development of mainframe computers and centralized computer centers
4. The development of telecommunications

43. The development of minicomputers and microcomputers accelerated which of the following trends?

1. Centralization of computer hardware and software
2. Downsizing
3. Strategic planning
4. Development of web portals

44. Systems integrators or facilities management companies are:

1. Independent subsidiaries of an organization that offer information-processing services to external organizations, as well as to their parent company
2. Companies that use information resource management techniques to manage the development of their information systems
3. Outside contractors that take over part or all of a company's information services operations
4. Companies using a hybrid of centralized and decentralized information systems.

45. According to the text, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a key IT management responsibility if business/IT projects are to be completed on time, within budget, and meet design objectives.

1. hardware selection
2. network vulnerability
3. project management
4. employee recruiting and development

46. IS operations are a cost to the company. When a company uses system performance monitors and then allocates costs to user departments based on the information services rendered, the company is applying a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ system.

1. record keeping
2. outsourcing
3. chargeback
4. rebound

47. All of the following are common functions of a system performance monitor except:

1. Capturing computer operator keystrokes
2. Looking after the processing of computer jobs
3. Helping to develop a schedule of computer operations that can optimize computer system performance
4. Producing detailed statistics that are used for planning and control

48. All of the following are components of IT staff planning except:

1. Setting salary and wage levels
2. Recruiting and retaining qualified personnel
3. Determining pay periods
4. Evaluating job performance

49. A chief information officer (CIO):

1. Directs day-to-day information services activities
2. Develops and administers training programs for information services personnel and computer users
3. Is expected to closely supervise the internal operations of the information services department, but has limited responsibility for interfacing with other departments
4. Has major responsibility for long-term information system planning and strategy

50. The chief information officer is a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ level IT manager.

1. tactical
2. strategic
3. operational
4. departmental

51. According to the text, if you are second-in-command to the CIO or chief technology officer and have years of applications development experience, your next promotion should be to:

1. COO
2. CEO
3. CIO
4. CTO

52. In many companies, technology management is the primary responsibility of the:

1. COO
2. CEO
3. CIO
4. CTO

53. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ has a strong understanding of the issues related to protecting the data resources and information assets of the organization.

1. COO
2. CSO
3. CIO
4. CTO

54. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ has problem-solving skills and a degree in information systems, excellent interpersonal skills, good technical skills, and an ability to apply problem-solving and critical-thinking skills to the design of new systems.

1. Systems analyst
2. Practice manager
3. CIO
4. Team leader

55. Many companies have created \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ functions to support and manage end-user and workgroup computing.

1. customer relationship managers
2. information centers
3. user services
4. end-user focus groups

56. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ usually knows Java, Perl, C++, and Web services. He/she also has experience in systems architecture, and can design an Internet solution from concept through implementation.

1. e-commerce architect
2. practice manager
3. systems analyst
4. chief technology officer

57. Many people are employed in IT in a large company. A technical team leader would:

1. Be second in command to the CIO
2. Know Java, Perl, and Web services, and possess the ability to design an Internet solution from concept through implementation
3. A senior member of the technical team and has good communication, leadership, and project management skills
4. Have skills in marketing, staffing, budgeting, and building customer relationships

58. All of the following were listed in the text as primary reasons behind a company's decision to outsource except:

1. Achieving a greater return on investment
2. Achieving flexible staffing levels
3. Focusing on core competencies
4. Centralizing software development

59. Which of the following is the number one reason that companies outsource?

1. Reduce and control operating costs
2. Accelerate re-engineering benefits
3. Gain access to world-class capabilities
4. Share risks

60. What is the number one factor for successful outsourcing?

1. Reducing and controlling operating costs
2. Understanding the company's goals and objectives
3. Commitment to quality
4. Sharing the risks

61. What is the number one factor for successful selection of an outsourcing vendor?

1. Senior executive support and involvement
2. Gaining access to world-class capabilities
3. Commitment to quality
4. Sharing risks

62. What is the number one IT area being outsourced?

1. Client/server services and administration
2. Applications development
3. End-user support
4. Maintenance and repair

63. All of the following are among the top 10 factors in vendor selection except:

1. Commitment to quality
2. Price
3. End-user support
4. Cultural match

64. Which of the following is the least outsourced IT area?

1. Maintenance and repair
2. Consulting and re-engineering
3. Network administration
4. Total IT outsourcing

65. The text defines "offshoring" as:

1. Relocation of an organization's business processes to a lower-cost location, usually overseas
2. Relocation of an organization's business processes to another firm better qualified to handle those processes
3. Relocation of an organization's production, but not services, to a lower-cost location
4. Complete and total IT outsourcing

66. The text distinguishes between two types of "offshoring":

1. Domestic and international
2. Production and services
3. Complete and partial
4. Internal and external

67. Senior management needs to be involved in critical business/IT decisions. Which of the following is not such a decision?

1. What security and privacy risks are acceptable?
2. How good do our IT services need to be?
3. Which hardware platform do we centralize on?
4. Who do we blame if an IT initiative fails?

68. Many companies have policies that require managers to be involved in IT decisions that affect their business units. This helps managers:

1. Improve the strategic customer value of information technology
2. Avoid IS performance problems in their business units and development projects
3. Monitor the problems of employee resistance and poor user interface design
4. See other opportunities for IT development

69. When a company experiences excessive technical and process standardization that limit the flexibility of business units, or frequent exceptions to the standards that increase costs and limit business synergies, this is often the result of senior management failing to answer the question:

1. Which IT capabilities should be companywide?
2. How much should be spent on IT?
3. Which business processes should receive our IT dollars?
4. Whom should we blame if an IT initiative fails?

70. When a company experiences a lack of focus, the IT unit can become overwhelmed as it tries to deliver many projects that may have little company-wide value or can't be implemented well simultaneously. This is often the result of senior management failing to answer the question:

1. Which IT capabilities should be companywide?
2. How much should be spent on IT?
3. Which business processes should receive our IT dollars?
4. Whom should we blame if an IT initiative fails?

71. What would senior management's role be in relation to the question "Whom do we blame if an IT initiative fails?"

1. Decide which IT capabilities should be provided centrally and which should be developed by individual businesses
2. Decide which features are needed on the basis of their costs and benefits
3. Lead the decision making on the trade-offs between security and privacy on one hand and convenience on the other
4. Assign a business executive to be accountable for every IT project, and monitor business metrics

72. What would senior management's role be in relation to the question "What security and privacy risks will we accept?"

1. Decide which IT capabilities should be provided centrally and which should be developed by individual businesses
2. Lead the decision making on the trade-offs between security and privacy on one hand and convenience on the other
3. Decide which features are needed on the basis of their costs and benefits
4. Assign a business executive to be accountable for every IT project, and monitor business metrics

73. The consequence of failing to establish how good IT services really need to be is:

1. The company may fail to develop an IT platform that furthers its strategy, despite high IT expenditures
2. Excessive technical and process standardization limits the flexibility of business units
3. IT is overwhelmed with projects that have little companywide value
4. The company may pay for service options that, given its priorities, aren't worth the money

74. What is the consequence of failing to answer the question, how much should be spent on IT?

1. The company may fail to develop an IT platform that furthers its strategy, despite high IT expenditures
2. Excessive technical and process standardization limits the flexibility of business units
3. IT is overwhelmed with projects that have little companywide value
4. The company may pay for service options that, given its priorities, aren't worth the money

75. According to the text, COBIT is:

1. A methodology for determining the political structure of each country for IT operations
2. A popular methodology for developing complex global information systems
3. A popular IT governance approach that focuses on all aspects of the IT function throughout the organization
4. A method for evaluating the infrastructure capabilities for IT in the target country

76. COBIT stands for:

1. Centralized Operations for Business Information Technologies
2. Compressed Operational BITs (Binary Digits)
3. Computerized Objectives and Internet Technologies
4. Control Objectives for Information and related Technology

77. According to the text case, all the following lessons were learned from the COBIT implementation at Blue Cross, except:

1. Building in the controls makes the controls easier to sustain and it makes self-testing more efficient and effective
2. Developing appropriate controls should be left to the end users
3. It is best to build the controls into the process
4. If the controls are not built into the process, the area performing the self test may have to process data for a great many hours

78. According to the text, we seem to have reached a point where virtually every CIO is a(n):

1. global CIO—a leader whose sphere of influence (and headaches) spans continents
2. global enterprise leader, capable of developing appropriate business and IT strategies for the global marketplace
3. global politician who takes on the cultural, political, and geoeconomic challenges that exist in the international business community
4. global technical expert, evaluating the infrastructure of the target country, including telephone and electricity transmission capabilities

79. According to the text, all global IT activities must be adjusted to take into account:

1. Determining the political structure of each country of operations
2. Developing appropriate business and IT strategies for the global marketplace
3. The cultural, political, and geoeconomic challenges that exist in the international business community
4. Evaluating the infrastructure of the target country, including telephone and electricity transmission capabilities

80. According to the text, the first step in global information technology management should be:

1. Determining the political structure of each country of operations
2. Developing appropriate business and IT strategies for the global marketplace
3. Outsourcing all manufacturing to the lowest-cost location
4. Evaluating the infrastructure of the target country, including telephone and electricity transmission capabilities

81. All of the following are major dimensions of global IT challenges except:

1. Global business and IT strategies
2. Global business and IT application portfolios
3. Global IT platforms
4. Global software management

82. All of the following would be associated with a transnational e-business strategy except:

1. Global e-commerce and customer service
2. Global supply chain and logistics
3. Transparent manufacturing
4. Dissimilar systems and data

83. All of the following would be associated with a global e-business strategy except:

1. Global sourcing
2. Multiregional
3. Transparent manufacturing
4. Horizontal integration

84. All of the following would be associated with an international e-business strategy except:

1. Captive manufacturing
2. Global supply chain and logistics
3. Specific customers
4. Region specific

85. Which of the following would be associated with an international e-business strategy?

1. Customer segmentation and dedication by region and plant
2. Global supply chain and logistics
3. Some cross regionalization
4. Horizontal integration

86. All of the following would be associated with a global e-business strategy except:

1. Some cross regionalization
2. Global supply chain and logistics
3. Customer segmentation and dedication by region and plant
4. Horizontal integration

87. Which of the following would be associated with a transnational e-business strategy?

1. Customer segmentation and dedication by region and plant
2. Horizontal integration
3. Some cross regionalization
4. Global supply chain and logistics

88. Which of the following is a business driver for global IT?

1. Unique assembly line hardware
2. Isolated work unit software
3. Global collaboration
4. Regional employees

89. Most multinational companies have all of the following except:

1. Global financial budgeting
2. Satellite-based communication systems
3. Office automation systems, such as fax and e-mail
4. Global cash management systems

90. Hardware choices are difficult in some countries because of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. high prices
2. import restrictions
3. lack of documentation tailored to local conditions
4. All of the choices are correct.

91. All of the following are international network management issues except:

1. Prohibiting transborder data flow
2. Improving the operational efficiency of networks
3. Dealing with multiple networks
4. Controlling data communication security

92. By connecting their businesses to the online infrastructure of the Internet, companies can generally do all of the following except:

1. Expand their markets
2. Reduce communications and distribution costs
3. Improve their profit margins without massive outlays for new telecommunications facilities
4. Reduce the number of direct competitors

93. Which of the following world regions has the highest per capita Internet usage?

1. Asia
2. Europe
3. North America
4. Latin America/Caribbean

94. All of the following are U.S.-EU data privacy requirements except:

1. Notice of purpose and use of data collected
2. Redundant hardware and data backup systems
3. Access for consumers to their information
4. Adequate security, data integrity, and enforcement provisions

95. According to the text, many countries view the process of transborder data flows as violating their laws for all the reasons, except:

1. national sovereignty
2. privacy legislation
3. laws designed to protect the local IT industry from competition
4. anti-terrorist security precautions

96. According to the "Reporters Without Borders" organization, 45 countries restrict their citizen's Internet access. Which of the following countries allows no public access to the Internet?

1. China
2. North Korea
3. Cuba
4. Saudi Arabia