There are 4 alternative answers to each question. One of them is correct. Pick the correct answer. Do not guess. A key is given at the end of the module for you to verify your answer.

**LEARNING UNIT 1**

4.1.1 **Pick quantified goals from those given below**
   (i) payment should be made promptly
   (ii) payment should be made before 5th of every month
   (iii) the age of the persons should be below 35
   (iv) the person to be recruited should be middle aged
   (a) i and ii  (b) i and iii  
   (c) ii and iii  (d) ii and iv

4.1.2 **Quantification of goals is required because**
   (a) without quantification no work can be done
   (b) when goals are quantified it is possible to verify unambiguously whether they have been fulfilled
   (c) goals have to be quantified for a good system
   (d) it facilitates designing a good system

4.1.3 **Quantification of goals is done by**
   (a) converting subjective goal statements to ones with numbers
   (b) converting subjective goal statements to objective goal statements
   (c) converting objective goal statements to subjective goal statements
   (d) removing all adjectives in a goal statement
4.1.4 Quantified version of the statement: “The inventory should be reduced substantially“ is
(a) the inventory should be reduced effectively
(b) the inventory should be reduced significantly
(c) the inventory should be reduced very much
(d) the inventory should be reduced by 25%

4.1.5 Goals are identified by
(a) finding the deficiencies in the current system
(b) observing the current system
(c) analyzing competitor’s system
(d) finding the advantages in the current system

4.1.6 Deficiencies in a system are pinpointed by identifying
(i) missing function
(ii) excessive cost of operation
(iii) poor management
(iv) poor operation
   (a) i and iii  (b) i and ii
   (c) i and iv  (d) ii and iii

4.1.7 Goals are identified by
(a) discussion with all concerned
(b) pinpointing unsatisfactory performance
(c) finding poor management
(d) examining a variety of documents

4.1.8 Characteristics of good goals are that they
(i) are quantified
(ii) improve quality
(iii) are realizable within the constraints of the organization
(iv) aim at an ideal system
   (a) i and ii  (b) ii and iv
   (c) ii and iii  (d) i and iii

4.1.9 Goals should be agreeable to
(a) top management
(b) project leader
(c) all concerned, both management and operational staff
(d) programmers
4.1.10 Goals should be broken down to sub-goals as it
   (a) expedites system design
   (b) provides a convenient target to aim at during system design
   (c) is recommended by experienced analysts
   (d) is good idea to use

**LEARNING UNIT 2**

4.2.1 During feasibility analysis it is necessary to examine several alternative
solutions because
   (i) a comparison of alternatives will lead to a cost-effective solution
   (ii) a pre-conceived single solution may turn out to be unimplementable
   (iii) it is always good to examine alternatives
   (iv) management normally looks at alternatives
      (a) i and iii  (b) i and iv
      (c) i and ii   (d) ii and iv

4.2.2 A computer-based information system
   (a) may require some tasks to be done manually
   (b) should not have any manual tasks
   (c) is always fully automated
   (d) may use only computers

4.2.3 Among alternative solutions for an information system one may consider
   (a) PC based solutions only
   (b) an improved manual system
   (c) only client-server based solutions as they are popular now-a-days
   (d) whatever management decides

4.2.4 By technical feasibility of a solution we mean that
   (a) technology is available to implement it
   (b) persons are available to implement it
   (c) persons have technical ability to implement it
   (d) funds are available to implement it

4.2.5 By operational feasibility we mean
   (a) the system can be operated nicely
   (b) the system is unusable by operators
   (c) the system can be adapted by an organization without major disruptions
   (d) the system can be implemented

4.2.6 By economic feasibility of a system we mean that
   (a) it is economical to operate
   (b) it is expensive to operate
   (c) it will be cost-effective if implemented
   (d) finances are available to implement the system and it will be cost-effective
4.2.7 A solution is said to be feasible for implementation if
(i) it is cost-effective and finance is available to implement it
(ii) technology is available to implement it
(iii) it can be adapted to work in an organization’s environment
(iv) it has been implemented in another organization
(a) ii and iii (b) i, ii and iii
(c) i and iv (d) i, ii and iv

LEARNING UNIT 3

4.3.1 A cost-benefit analysis is performed to assess
(a) economic feasibility
(b) operational feasibility
(c) technical feasibility
(d) all of the above

4.3.2 The primary objective of cost-benefit analysis is
(a) to find out direct and indirect cost of developing the information system
(b) to determine the tangible benefits of the information system
(c) to determine if it is economically worthwhile to invest in developing the information system
(d) to determine the intangible benefits of the information system

4.3.3 A cost-benefit analysis is performed as a part of
(a) system design
(b) system specification
(c) system performance assessment
(d) feasibility analysis

4.3.4 A cost benefit analysis consists of
(i) finding the direct and indirect cost of developing, implementing and running the system
(ii) finding out the tangible and intangible benefit of the system
(iii) finding the investment to be made in the system
(iv) finding the profit which will accrue from the system
(a) iii and iv (b) i and iv
(c) ii and iii (d) i and ii

4.3.5 The tangible benefits in the following list are
(i) savings due to reducing investment
(ii) savings due to sending bills faster and consequent early collection
(iii) providing better service to the customers
(iv) improving quality of company’s products
4.3.6 **The intangible benefits in the following list are**
   (i) savings due to reducing investment
   (ii) savings due to sending bills faster and consequent early collection
   (iii) providing better service to the customers
   (iv) improving quality of company’s products
   (a) i and ii  
   (b) ii and iii  
   (c) iii and iv  
   (d) i and iii

4.3.7 **Intangible benefits are**
   (a) not very important
   (b) as important as tangible benefits
   (c) the most important benefits
   (d) irrelevant in feasibility study

4.3.8 **Pick the indirect cost from the following**
   (a) cost of new forms
   (b) cost of training analysts and users
   (c) cost of software to be brought
   (d) cost of fact gathering

4.3.9 **In payback method one finds out**
   (a) the period necessary to invest the cost of the system
   (b) the time required for the full benefits to accrue
   (c) the time at which benefits exceed cost
   (d) whether the system is able to payback amount invested

4.3.10 **In simple payback method one**
   (a) accounts for interest payments on benefits
   (b) ignores interest payments
   (c) only accounts for interest on capital investments
   (d) only accounts for interest on recurring expenses

4.3.11 In designing a system it is found that the cost of the system was Rs 1,50,000 and the benefit is Rs 10,000 per month. The interest is 1% per month; the payback period using payback method with interest is
   (a) 14 months
   (b) 17 months
   (c) 15 months
   (d) 20 months
4.3.12 In designing a system it is found that the cost of the system was Rs 1,50,000 and the benefit is Rs 10,000 per month. The interest is 1% per month; the payback period using the present value method is
(a) 14 months
(b) 17 months
(c) 15 months
(d) 20 months

4.3.13 In present value method one has to account for
(a) interest rate prevalent at a given time
(b) exchange rate prevalent at a given time
(c) sales tax rate prevalent at a given time
(d) both income and sales tax rates prevalent at a given time

4.3.14 At the end of the feasibility study the systems analyst
(a) meets the users for a discussion
(b) gives a summary feasibility report to the management
(c) gives a systems proposal to management
(d) tells the top management if the system is not feasible

4.3.15 The most important parts of a feasibility report are
(i) cost-benefit analysis
(ii) statement of the objective of the proposed system
(iii) who will supply equipment for implementing the system
(iv) organizational changes needed to successfully implement the system
(a) i and ii (b) i, ii and iii
(c) i and iv (d) i, ii and iv

4.3.16 A detailed system proposal is prepared by a systems analyst if
(a) management is not clear about what the system will do
(b) the analysts feels it is necessary to convince the management
(c) management approves the feasibility report
(d) the analyst feels it will be a challenging system to implement
4.3.17 The main objectives of a detailed system proposal are to
(i) convince management about the benefits of the proposed system
(ii) explain in detail to the management what to expect from the system and at what cost
(iii) have a detailed plan on what the system will do and how it will be implemented
(iv) make sure that it is possible to implement the system
(a) i and ii (b) ii and iii
(c) i and iv (d) ii and iv

4.3.18 The following are the most important points of a detailed system proposal
(i) who will supply and install the required equipment
(ii) cost-benefit analysis
(iii) comparison of alternative solutions
(iv) implementation plan
(a) i, ii and iii (b) i, iii and iv
(c) ii, iii and iv (d) ii and iii
KEY TO OBJECTIVE QUESTIONS

4.1.1 c  4.1.2 b  4.1.3 a  4.1.4 d  4.1.5 a  4.1.6 b  
4.1.7 b  4.1.8 d  4.1.9 c  4.1.10 b  4.2.1 c  4.2.2 a  
4.2.3 b  4.2.4 a  4.2.5 c  4.2.6 d  4.2.7 b  4.3.1 a  
4.3.2 c  4.3.3 d  4.3.4 d  4.3.5 a  4.3.6 c  4.3.7 b  
4.3.8 d  4.3.9 c  4.3.10 b  4.3.11 c  4.3.12 b  4.3.13 a  
4.3.14 b  4.3.15 d  4.3.16 c  4.3.17 b  4.3.18 c