

MCQs on Managing the Digital Firm

1. **Why are Information Systems critical for digital firms?**

- a) They replace the need for employees.
- b) They automate all manual tasks completely.
- c) They help in decision-making, efficiency, and gaining competitive advantage.
- d) They reduce the importance of organizational structure.

Answer: c) They help in decision-making, efficiency, and gaining competitive advantage.

2. ****Which of the following is a contemporary approach to Information Systems?**

- a) Behavioral approach.
- b) Statistical approach.
- c) Industrial approach.
- d) Marketing approach.

Answer: a) Behavioral approach.

3. **What is a key new role of Information Systems in modern organizations?**

- a) Storing physical documents in large warehouses.
- b) Automating business processes, supporting innovation, and enabling data-driven decisions.
- c) Eliminating human intervention in business operations.
- d) Reducing costs by downsizing IT infrastructure.

Answer: b) Automating business processes, supporting innovation, and enabling data-driven decisions.

4. **Which technology is considered a major driver in the evolution of Information Systems?**

- a) Manual Data Entry.
- b) Cloud Computing.
- c) Typewriters.
- d) Offline Databases.

Answer: b) Cloud Computing.

5. **What does the Socio-Technical Approach to Information Systems emphasize?**

- a) Focusing only on technical aspects like hardware and software.
- b) Integrating technology with human and organizational factors.
- c) Prioritizing behavioral studies over technical studies.
- d) Avoiding user training for advanced systems.

Answer: b) Integrating technology with human and organizational factors.

6. **Which is a key method to help employees adapt to new Information Systems?**

- a) Replacing them with more skilled workers.
- b) Avoiding any changes to the existing systems.
- c) Implementing training programs and user-friendly interfaces.
- d) Removing all manual interventions from the systems.

Answer: c) Implementing training programs and user-friendly interfaces.