Ques type 1.
describe

THE IMPACT OF IT ON THE STANDARDOF LIVING AND WORKER PRODUCTIVITY

The standard of living varies greatly among groups within a country as well as from nation to nation. The most widely used measurement of the material standard of living is gross domestic product (GDP) per capita. National GDP represents the total annual output of a nation's economy. Overall, industrialized nations tend to have a higher standard of living than developing countries.

- In the United States, as in most developed countries, the standard of living has been improving over time. However, its rate of change varies as a result of business cycles that affect prices, wages, employment levels, and the production of goods and services. Major disasters—such as earthquakes, hurricanes, tsunamis, and war—can negatively impact the standard of living.

The worst economic downturn in U.S. history occurred during the Great Depression, when the GDP declined by about 50 percent from 1929 to 1932; by 1932, the unemployment rate had reached 25 percent. By way of comparison, during the latest recession in the United States (which began in 2007), the GDP growth rate declined by 6.8 percent during the fourth quarter of 2008 and the U.S. unemployment rate hit a peak of 10.2 percent in October 2009.

Ques type 2.
measurement ways of..

IT investment and productivity

Productivity is defined as the amount of output produced per unit of input, and it is measured in many different ways. For example,

1. productivity in a factory might be measured by the number of labor hours it takes to produce one item.

2. productivity in a service sector company might be measured by the annual revenue an employee generates divided by the employee's annual salary.

Most countries have been able to produce more goods and services over time—not through a proportional increase in input but rather by making production more efficient. These gains in productivity have led to increases in the GDP-based standard of living because the average hour of labor produced more goods and services.

Innovation is a key factor in productivity improvement, and IT has played an important role in enabling innovation. Progressive management teams use IT, as well as other new technology and capital investment, to implement innovations in products, processes, and services.

IT can enhance productivity in fundamental ways by allowing firms to make radical changes in work processes, but such major changes can take years to complete because firms must make substantial complementary investments in retraining, reorganizing, changing reward systems. Furthermore, the effort to make such a conversion can divert resources from normal activities, which can actually reduce productivity—at least temporarily. For example, researchers examined data from 527 large U.S. firms from 1987 to 1994 and found that it can take five to seven years for IT investment to result in a significant increase in productivity.