



• Name: _____

• Date: _____

• Section: _____

BUSN 315: Management Information Systems

Problem Set #2

Fall 2025

INSTRUCTIONS:

- Write your name, date, and section at the top of the first page.
- This problem set is intended as a check-in assignment to ensure you are keeping up with course material. It is not designed to be overly difficult, but you are expected to answer thoughtfully.
- For multiple-choice problems, circle the best answer. Only one option is correct.
- For short-answer problems, limit your response to no more than 4 sentences.
- Unless otherwise specified, you may use your textbook, class notes, and slides.
- Submit a clean, legible copy of your work by the deadline posted in the syllabus. Late submissions will follow the course policy on late assignments.

Problem 1. Multiple Choice

- 1.A. Which of the following statements best describes the technical view of an organization?
- a) A collection of rights, privileges, obligations, and responsibilities balanced through conflict and resolution.
 - b) A stable social structure that transforms inputs from the environment into outputs.
 - c) A set of informal social networks that shape organizational culture.
 - d) A temporary coalition of stakeholders who negotiate outcomes.
- 1.B. According to Michael Porter's Competitive Forces Model, which of the following is not one of the five forces?
- a) Rivalry among traditional competitors
 - b) Threat of new entrants
 - c) Technological innovation
 - d) Bargaining power of suppliers
- 1.C. Which of the following best illustrates a disruptive technology?
- a) A smartphone model with a slightly faster processor
 - b) Online streaming services replacing DVDs
 - c) Incremental updates to legacy enterprise software
 - d) A firm upgrading its email servers
- 1.D. In the Value Chain Model, which activity is a support activity?
- a) Operations
 - b) Outbound logistics
 - c) Human resources management
 - d) Sales and marketing
- 1.E. Which ethical framework states that morality should rest on universal principles that could rationally be willed as laws for all people?
- a) Utilitarianism (Jeremy Bentham)
 - b) Categorical Imperative (Immanuel Kant)
 - c) Veil of Ignorance (John Rawls)
 - d) The Golden Rule

Problem 1. Multiple Choice (continued)

1.F. The Risk Aversion Principle suggests that managers should:

- a) Take the action that produces the greatest good for the greatest number.
- b) Choose the action that produces the least harm or cost.
- c) Follow rules that can be universally applied.
- d) Never take actions that benefit only a few stakeholders.

1.G. Which of the following statements about the General Data Protection Regulation (GDPR) is true?

- a) It applies only to organizations located within the EU.
- b) It allows implicit consent for data collection.
- c) It enforces the “right to be forgotten” and requires explicit opt-in consent.
- d) It replaced the U.S. Privacy Act of 1974.

1.H. Which IS-enabled business strategy focuses on using data to serve narrow markets better than competitors?

- a) Low-cost leadership
- b) Product differentiation
- c) Focusing on market niches
- d) Strengthening supplier intimacy

1.I. Which of the following best illustrates how information systems can flatten organizational hierarchies?

- a) Creating new layers of middle management to review reports manually.
- b) Centralizing all decision-making authority at the top executive level.
- c) Distributing accurate, real-time information that empowers lower-level employees to make decisions.
- d) Eliminating all formal reporting structures in favor of ad-hoc communication.

Problem 2. True / False

Determine whether each statement is TRUE or FALSE. If you deem that the statement is FALSE, you MUST justify your verdict by providing a brief explanation.

- 2.A. Organizational politics can influence how new information systems are used, even when a firm understands a technological disruption.
- 2.B. According to agency theory, as firms grow larger, information systems reduce the cost of monitoring agents.
- 2.C. The No-Free-Lunch Rule assumes that everything of value is owned by someone unless explicitly stated otherwise.
- 2.D. Trade secrets lose protection if they become publicly available information.

Problem 3. Short Answers

Provide concise written answers to the following questions.

3.A. Explain the difference between the technical and behavioral views of an organization. Provide an example illustrating how each view affects information system design.

3.B. Identify two ways that information systems can reduce transaction costs and agency costs. Provide specific business examples.

Problem 3. Short Answers (continued)

Provide concise written answers to the following questions.

- 3.C. Describe the five moral dimensions of the information age, providing an example of each. The five moral dimensions of the information age are: Information Rights, Property Rights, System Quality, Accountability, Quality of Life.

- 3.D. A manager argues that “if a product meets legal standards, there is no ethical issue.” Use one ethical principle we discussed in class (e.g., Utilitarianism, Categorical Imperative, Veil of Ignorance, etc) to critique this claim.