

4. Can hierarchical control occur inside market system? *
(4/4 Points)

- ☐ In perfect market systems, yes.
- ☒ In perfect market systems, no. ✓
- ☒ Yes, when customers can control their suppliers to some extent. ✓
- ☐ No.

7. Please, tick correct answer(s) on the concept of "information system." *
(0/4 Points)

- ☒ An information system can be supported by a technical system. ✓
- ☐ An information system is a technical system.
- ☒ An information system is a set of coordinated processes producing an information output and executing information processing activities. ✓
- ☐ An information system is a technology. ✓

11. Accordin to agency theory... *
(0/4 Points)

- ☒ Organizations are seen as networks of contracts among individuals ✓
- ☒ Agency costs emerge every time a decision-making task is inefficient.
- ☐ Coordination inside organizations can be based only on command and control.
- ☒ There exist transaction costs inside organizations. ✓

20. Please, tick correct example(s) of transaction information in manufacturing. *
(0/4 Points)

- ☒ Certification of competences.
- ☒ Contracts with customers and suppliers ✓
- ☒ Status of production activities ✓
- ☒ Transfers of materials and half-finished goods between responsibilities. ✓

2. What are the correct inputs and outputs of the execution phase of an economic transaction? *
(0/4 Points)

- ☐ Input: requirements, Output: contract.

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- ☒ Input: contract, Output: product/service and exceptions with respect to SLAs ✓
- ☐ Input: requirements, Output: one supplier and new requirements, both specified in a contract (SLAs).
- ☒ Input: set of suppliers, Output: one supplier and new requirements, both specified in a contract (SLAs).

5. Please, choose the correct definition of "IT architecture". *
(0/4 Points)

- ☒ The IT architecture of a company is a set of coordinated information-processing processes.
- ☐ The IT architecture of a company represents all the resources needed to perform a set of information-processing processes process (skills, tools, etc.).
- ☐ The IT architecture of a company is a technical system supporting a given information system. ✓
- ☐ The IT architecture of a company is a set of machines supporting a given technology.

6. Which costs are lower in a hierarchy compared to a market coordination mechanism? *
(4/4 Points)

- ☒ Coordination costs. ✓
- ☐ Knowledge management costs.
- ☐ Transaction costs.
- ☐ Production costs.

19. What is the relationship between environmental uncertainty and information processing capacity? *
(0/4 Points)

- ☐ Environmental uncertainty causes an increase in organizational information processing capacity.

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- ☐ Environmental uncertainty can be managed by increasing an organization's ability to process information (or information processing capacity). ✓
- ☒ Environmental uncertainty increases an organization's requirements for information processing capacity, ✓
- ☒ Environmental uncertainty increases the requirements for information processing capacity up to the limits of bounded rationality.

7. Accordin to agency theory... *

(0/4 Points)

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- ☐ Coordination inside organizations can be aided by delegating control. ✓
- ☒ Organizations can be seen as networks of contracts among individuals ✓
- ☐ Agency costs emerge every time a decision-making task is inefficient.
- ☒ There exist agency costs inside organizations. ✓

14. Tick examples of hierarchical control occurring inside a market system? *

(0/4 Points)

- ☐ An electronic market intermediated by a leading IT company, such as Amazon marketplace. ✓
- ☐ A leading company in a production district intermediating the relationship with customers for several suppliers belonging to that same district. ✓
- ☒ A buyer controlling a contract provided by a supplier.
- ☐ A supplier controlling a contract provided by a buyer.

16. Please, tick correct answer(s) on the concept of "information system." *
(4/4 Points)

- ☒ An information system is a technology. ✓
- ☐ An information system is a technical system.
- ☒ An information system is the set of coordinated information-processing processes used to organize cooperating organizational units/individuals. ✓
- ☒ An information system can be supported by a technical system. ✓

11. Please, tick consolidated belief(s) tying technical innovation with organizational change for non-IT technologies. *
(4 punti)

- ☐ Technical innovation increases organizational efficiency and effectiveness.
- ☐ Technical innovation enables scale economies. ✓
- ☐ Technical innovation increases individual specialization. ✓
- ☐ Technical innovation increases bureaucracy, but does not affect the formalization of work.

12. What is bounded rationality? *
(4 punti)

- ☐ Bouded rationality represents the limited ability of individuals to process information. ✓
- ☐ Bounded rationality is the ability of individuals to cooperate.
- ☐ According to Galbraith, bounded rationality is the rational limit of both human and artificial intelligence.
- ☐ Bounded rationality is a coordination mechanism.

13. What are characteristic(s) of market systems? *
(4 punti)

- ☐ They reduce behavioural uncertainty by leveraging opportunism. ✓
- ☐ In market systems production costs are low, as individual tend to be very efficient. ✓
- ☐ Market coordination involves the excution of transactions. ✓
- ☐ Markets replace hierarchies, since markets have lower production costs.

14. What is a vertical solution of an ERP? *
(4 punti)

- ☐ A vertical solution of an ERP is a version of that ERP tailored to the needs of a specific industry. ✓
- ☐ A vertical solution of an ERP is an ERP designed around the concept of vertical information systems.
- ☐ A vertical solution of an ERP is an ERP designed for manufacturing or for service companies.
- ☐ Vertical solutions are usually fine grained. For example, the textile industry and the fashion industry have different solutions.

6. Please, choose the correct definition of "IT architecture". *
(0/4 Points)

- ☐ The IT architecture of a company is a techncial system supporting a given information system. ✓
- ☐ The IT architecture of a company represents all the resources needed to perform a set of information-processing processes process (skills, tools, etc.).
Message for respondents who select this answer
- ☐ The IT architecture of a company is a set of coordinated information-processing processes.
- ☐ The IT architecture of a company is a set of machines supporting a given technology.

14. Please, tick the correct definition of IT intensity. *

(0/4 Points)

- ☐ IT intensity is the actual ability of IT to satisfy the information processing requirements of organizational processes. ✓
- ☐ IT intensity is the degree to which a company's management considers IT as a strategic lever.
- ☐ IT intensity represents the size and complexity of the information used by the processes of an organization.
- ☐ IT intensity is the organizational consequence of environmental uncertainty, as companies can handle uncertainty with IT.

18. How does agency theory overcome the limits of transaction economics? *

(0/4 Points)

- ☐ By studying employment contracts as a special-purpose transaction.
- ☐ By recognizing that there exists a continuum between markets and hierarchies. ✓
- ☐ By recognizing that hierarchies can fail and can be replaced by market systems.
- ☒ By recognizing that there exist market coordination mechanisms inside organizations. ✓

22. What is the relationship between environmental uncertainty and information processing capacity? *

(0/4 Points)

- ☐ Environmental uncertainty increases an organization's requirements for information processing capacity, ✓

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- ☐ Environmental uncertainty causes an increase in organizational information processing capacity.
- ☐ Environmental uncertainty can be managed by increasing an organization's ability to process information (or information processing capacity). ✓
- ☒ Environmental uncertainty increases the requirements for information processing capacity up to the limits of bounded rationality.

25. What are the correct inputs and outputs of the negotiation phase of an economic transaction? *

(4/4 Points)

- ☐ Input: requirements, Output: one supplier and new requirements, both specified in a contract (SLAs).
- ☐ Input: draft contract, Output: final contract.
- ☐ Input: set of suppliers, Output: one supplier and new requirements, both specified in a contract (SLAs). ✓
- ☐ Input: requirements, Output: contract.

13. What are characteristic(s) of market systems? *
(0/4 Points)

- ☒ They reduce behavioural uncertainty by leveraging opportunism. ✓
- ☐ In market systems coordination costs are low, as individual tend to be very efficient.
- ☐ Market coordination involves the excution of transactions. ✓
- ☒ Markets replace hierarchies, since markets have lower production costs.

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BIS 1 - Test your skills

- ☒ Bouded rationality represents the limited information processing capacity (IPC) of individuals. ✓
- ☒ Bounded rationality is the reason why individuals cooperate. ✓
- ☐ According to Galbraith, bounded rationality is the rational limit of both human and artificial intelligence.
- ☒ Bounded rationality is a coordination mechanism.

11. Please, tick consolidated belief(s) tying technical innovation with organizational change for non-IT technologies. *
(4/4 Points)

- ☐ Technical innovation increases organizational efficiency and effectiveness.
- ☒ Technical innovation does not enable scope economies. ✓
- ☒ Technical innovation increases individual specialization. ✓
- ☐ Technical innovation increases bureaucracy, but does not affect the formalization of work.

Please, tick the correct statement(s) on the organizational impact of IT innovation.

- ☒ IT innovation decreases management complexity.
- ☐ IT innovation increases management complexity.
- ☒ IT innovation increases organizational efficiency and effectiveness
- ☐ IT innovation increases organizational effectiveness only.

Please, tick the correct definition of transaction information.

- ☒ Transaction information describes the flow of operational activities in terms of exchanges between responsibilities (or organizational units) and between internal responsibilities and external players.
- ☐ Transaction information describes the flow of decision-making activities in terms of exchanges between responsibilities (or organizational units) and between internal responsibilities and external players.
- ☐ Transaction information describes the flow of executive activities in terms of exchanges between responsibilities (or organizational units) and between internal responsibilities and external players.
- ☐ Transaction information describes the flow of management activities in terms of exchanges between responsibilities (or organizational units) and between internal responsibilities and external players.

How does transaction economics overcome the limits of decision theory?

- ☐ By considering behavioural uncertainty in addition to environmental uncertainty.
- ☐ By considering organizations as open systems.
- ☒ By recognizing the limitations of hierarchical systems.
- ☐ By considering market coordination in addition to hierarchical coordination.

Please indicate reason(s) why organizational units are characterized by information interdependencies.

- ☒ Because by definition of bounded rationality, no single individual can process all the information required by an organization.
- ☒ Because information independence is not a viable criterion for the creation of specialized organizational units (functional specialization is instead a viable criterion).
- ☐ Because organizations can be seen as networks of contracts.
- ☐ Because decision-making always involves multiple units.

Please tick limitation(s) of transaction economics.

- ☒ They consider markets and hierarchies as alternative coordination mechanisms
- ☒ They ignore the impact of behavioural uncertainty inside organizations
- ☐ They ignore the impact of environmental uncertainty inside organizations
- ☐ They consider markets as the main coordination mechanism

How does agency theory view organizations?

- ☐ Agency theory uses the resource based view of organizations to model information.
- ☒ Agency theory considers organizations as a network of contracts with external players and among internal units and individuals.
- ☐ Agency theory considers organizations as a network of contracts with external players (i.e. customers and suppliers).
- ☒ Agency theory views organizations as a network of contract.

What is the relationship between environmental uncertainty and information processing requirements?

- ☒ Environmental uncertainty does not necessarily correspond to an increase of information processing capacity, as it can be managed with slack resources.
- ☐ Environmental uncertainty increases the requirements for information processing capacity,
- ☐ Environmental uncertainty can be managed by increasing an organization's ability to process information (or information processing capacity) up to the limits imposed by bounded rationality..
- ☐ Environmental uncertainty causes a decrease in organizational information processing capacity.

Please, tick consolidated belief(s) tying technical innovation with organizational change for non-IT technologies.

- ☐ Technical innovation increases organizational efficiency and effectiveness.
- ☒ Technical innovation enables scale economies
- ☒ There exists an organizational optimum, optimal process obtained through optimal synchronization of individual tasks.
- ☒ Technical innovation does not enable scope economies.
- ☒ Technical innovation increases individual specialization.
- ☐ Technical innovation simplifies management.
- ☐ Technical innovation enables scope economies.
- ☐ Technical innovation increases bureaucracy, but does not affect the formalization of work.

What is bounded rationality?

- ☒ Bounded rationality represents the limited information processing capacity (IPC) of individuals.
- ☒ Bounded rationality is the reason why individuals cooperate.
- ☐ Bounded rationality is the ability of individuals to cooperate.
- ☐ According to Galbraith, bounded rationality is the rational limit of both human and artificial intelligence.
- ☐ Bounded rationality is a coordination mechanism.

What are characteristic(s) of market systems?

- ☒ They reduce behavioural uncertainty by leveraging opportunism.
- ☐ In market systems coordination costs are low, as individual tend to be very efficient.
- ☒ In market systems production costs are low, as individual tend to be very efficient.
- ☒ Market coordination involves the execution of transactions.
- ☐ Markets replace hierarchies, since markets have lower production costs.

What is a vertical solution of an ERP?

- ☒ A vertical solution of an ERP is a version of that ERP tailored to the needs of a specific industry.
- ☐ A vertical solution of an ERP is an ERP designed around the concept of vertical information systems.
- ☐ A vertical solution of an ERP is an ERP designed for manufacturing or for service companies.
- ☐ Vertical solutions are usually fine grained. For example, the textile industry and the fashion industry have different solutions.

Please, tick correct example(s) of transaction information in manufacturing.

- ☒ Status of production activities
- ☐ Certification of competences.
- ☒ Transfers of materials and half-finished goods between responsibilities.
- ☒ Contracts with customers and suppliers

Can hierarchical control occur inside market system?

- ☐ No.
- ☒ Yes, when customers can control their suppliers to some extent.
- ☒ In perfect market systems, no.
- ☐ In perfect market systems, yes.

11	Francalanci	Multiple	Please, tick the correct Tayloristic assumption for non-IT (or traditional) technologies.	A	There exists an organizational optimum, which is the optimal process (or set of processes) obtained through optimal synchronization of individual	X
				B	There exists an organizational optimum, which is the optimal coordination process of operational tasks.	X
				C	There is no organizational optimum, but only local optima contingent to market conditions.	
				D	There exists an organizational optimum, which is the optimum strategic management of a company.	
12	Francalanci	Single	What new type of delegation is necessary according to agency theory?	A	Delegation of decision making.	X
				B	Delegation of operational tasks.	
				C	Delegation of change management.	
				D	Delegation of innovation management.	
13	Francalanci	Single	Why are organizations seen as networks of contracts among individuals according to agency theory?	A	Because IT has evolved and personal computers are now always connected to a network.	
				B	Because individuals are naturally good negotiators and will always coordinate through contracts.	
				C	Because market coordination mechanisms can occur not only within the market system, but also inside organizations.	X
				D	Because organizations are open systems and individuals are directly or indirectly part of the contracts that organizations have with external	

Please, tick correct answer(s) on the concept of "information system."

- ☒ An information system is a technology.
- ☒ An information system is a set of coordinated processes producing an information output and executing information processing activities.
- ☒ An information system can be supported by a technical system.
- ☐ An information system is a technical system

According to agency theory...

- ☒ There exist transaction costs inside organizations.
- ☐ Coordination inside organizations can be based only on command and control.
- ☒ Organizations are seen as networks of contracts among individuals
- ☐ Agency costs emerge every time a decision-making task is inefficient.

What are obstacle(s) to IT integration in service companies?

- ☒ The learning process involved by knowledge management.
- ☐ The breadth of the service industry in terms of sub-industries.
- ☐ The lack of automation technologies.
- ☐ The skill shortage.

18. How does agency theory overcome the limits of transaction economics? *
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