



• Name: _____

• Date: _____

• Section: _____

BUSN 315: Management Information Systems

Quiz #2: Suggested Solutions

Spring 2026

INSTRUCTIONS:

- Write your name, date, and section clearly at the top of the first page.
- This is a closed-book quiz. Do not use your textbook, class notes, or electronic devices.
- The quiz consists of four parts: Definitions, True / False, Multiple Choice, and Short Answers.
- For definitions, write in complete sentences. Limit each definition to at most three sentences.
- For multiple-choice questions, circle the single best answer. Only one option is correct.
- For short-answer questions, write your responses in complete sentences. Limit each response to at most five sentences.
- You have 75 minutes to complete the quiz. Manage your time carefully.

Problem 1. Definitions**(3 Points Each)**

Select FOUR items from the list below, and provide a definition for each item you choose.

- Switching Costs
- Value Chain Model
- Utilitarianism
- Digital Divide
- Behavioral View of an Organization
- Categorical Imperative

- **Switching Costs:**
Switching costs are the costs a customer incurs when changing from one supplier or product to another. These costs may include time, money, learning new systems, or transferring data, and firms often raise switching costs to reduce customer power.
- **Value Chain Model:**
The Value Chain Model, developed by Michael Porter, identifies the primary and support activities that create value within a firm. It helps managers determine where information systems can improve efficiency or provide competitive advantage.
- **Utilitarianism:**
Utilitarianism is an ethical principle that evaluates actions based on their consequences. An action is considered ethical if it maximizes total benefits or overall welfare, even if some individuals are harmed.
- **Digital Divide:**
The digital divide refers to the gap between individuals or groups who have access to modern information technologies and those who do not. This divide can create inequalities in education, employment, and economic opportunity.
- **Behavioral View of an Organization:**
The behavioral view of an organization emphasizes rights, obligations, and power relationships among participants. It focuses on how culture, politics, and human behavior influence organizational decisions and responses to technology.
- **Categorical Imperative:**
The categorical imperative, associated with Immanuel Kant, states that individuals should act only according to rules that could be universally applied without contradiction. It emphasizes duty and consistency rather than consequences.

Problem 2. True / False**(3 Points Each)**

Determine whether each statement is TRUE or FALSE. If FALSE, justify briefly.

2.A. The Competitive Forces Model focuses primarily on improving internal efficiency rather than analyzing the structure of an industry.

- FALSE

The Competitive Forces Model analyzes the structure of an industry and sources of competitive pressure, not internal efficiency. Internal efficiency is more closely associated with operational analysis or the value chain.

2.B. Asch's conformity experiments demonstrate that group consensus has little influence on individual judgments when the correct answer is obvious.

- FALSE

Asch's conformity experiments showed that group consensus can strongly influence individual judgments, even when the correct answer is obvious. Conformity rates dropped significantly only when at least one dissenting voice was present.

2.C. According to agency theory, agency costs increase as firms grow larger and more complex due to increased monitoring and coordination needs.

- TRUE

2.D. From a technical view of organizations, organizations are assumed to be flexible systems where inputs can be easily substituted to produce outputs.

- TRUE

Problem 3. Multiple Choice**(4 Points Each)**

Select the BEST answer for each question based on course concepts discussed in class.

3.A. Quality of life issues related to information systems most directly concern:

- a) How technology affects work, employment, and daily living conditions**
- b) Whether firms comply with copyright laws
- c) The profitability of digital platforms
- d) The speed of software development cycles

3.B. Which assumption is most central to the technical view of organizations?

- a) Conflict is unavoidable and persistent
- b) Organizational change is slow and disruptive
- c) Inputs can be flexibly substituted to produce outputs**
- d) Power relations dominate decision making

3.C. Transaction costs are best described as the costs of:

- a) Searching for information, coordinating activities, and enforcing contracts**
- b) Monitoring employee productivity
- c) Producing goods internally
- d) Investing in new technologies

3.D. The Milgram experiments are most often cited to demonstrate that:

- a) Individuals rarely obey authority when harm is involved
- b) Ethical violations occur only when individuals have malicious intent
- c) Obedience to legitimate authority can override personal moral discomfort**
- d) Conformity requires unanimous group agreement

Problem 3. Multiple Choice (continued)**(4 Points Each)**

Select the BEST answer for each question based on course concepts discussed in class.

3.E. Which competitive force is most directly affected when a firm raises switching costs for its customers?

- a) Supplier power
- b) Threat of new entrants
- c) Customer power**
- d) Rivalry among competitors

3.F. The Value Chain Model helps managers identify:

- a) Eliminate organizational politics
- b) Predict long-term consumer preferences
- c) Ensure legal compliance
- d) Target specific activities for IS-enabled performance improvement**

3.G. Synergies arise when:

- a) Business units operate independently
- b) Firms reduce transaction costs
- c) Firms exit unprofitable markets
- d) Combined units generate more value together than separately**

3.H. Under utilitarian reasoning, a decision is considered ethical primarily if it:

- a) Protects individual rights
- b) Aligns with existing laws
- c) Maximizes total benefits across stakeholders**
- d) Follows universal moral rules

Problem 3. Multiple Choice (continued)**(4 Points Each)**

Select the BEST answer for each question based on course concepts discussed in class.

3.I. The veil of ignorance asks decision makers to evaluate policies:

- a) Based on expected profits
- b) Without knowing their position in society**
- c) Using historical precedent
- d) Based on legal compliance alone

3.J. Accountability in information systems refers to:

- a) Identifying who is responsible when harm occurs**
- b) Ensuring systems are profitable
- c) Preventing all system failures
- d) Guaranteeing user satisfaction

3.K. Ethical and social issues related to information systems often become political issues because:

- a) Ethical standards are universally agreed upon
- b) Firms voluntarily self-regulate
- c) Legal and political institutions adapt slowly to technological change**
- d) Technology removes the need for public debate

3.L. Which statement best captures the distinction between legality and ethics in information systems?

- a) Legal actions are always ethical
- b) Ethical actions must always be illegal
- c) Some actions may be legal but still ethically questionable**
- d) Ethics applies only when laws are absent

Problem 4. Short Answers**(5 Points Each)**

A large online platform uses an algorithmic system to rank content shown to users. The system is designed to maximize user engagement by prioritizing posts that generate more clicks, comments, and time spent on the platform. Internal studies show that while this approach increases overall engagement and advertising revenue, it also amplifies misleading content and disproportionately disadvantages smaller or marginalized creators. The system complies with existing laws, and users have agreed to the platform's terms of service. Management considers the following proposals:

- Option A: Keep the current ranking system because it maximizes overall user engagement and firm profitability, even if some users or groups are negatively affected.
- Option B: Adopt a strict rule that prohibits amplifying misleading content, regardless of the impact on engagement or revenue, and apply this rule consistently to all content.

4.A. If a manager supports Option A, they are most closely aligned with which ethical principle discussed in class?

- **Utilitarianism: Option A prioritizes maximizing overall engagement and profitability, even if some users are negatively affected. This reflects utilitarian reasoning, which evaluates actions based on whether they maximize total benefits.**

4.B. If a manager supports Option B, they are most closely aligned with which ethical principle discussed in class?

- **Categorical Imperative: Option B adopts a strict rule that prohibits amplifying misleading content and applies it consistently to all cases, regardless of consequences. This reflects Kant's categorical imperative, which emphasizes universal rules and moral duty over outcomes.**

4.C. Select either Option A or Option B, and identify one limitation of the ethical principle associated with that option when applied to this situation.

- **A: One limitation is that utilitarian reasoning may justify harm to minority groups if overall benefits are large. In this case, marginalized creators may be disadvantaged even if total engagement increases.**
- **B: One limitation is that strict adherence to universal rules may ignore consequences. Prohibiting certain content regardless of impact could significantly reduce engagement or profitability.**

• Original Score: _____

• Recovered Score: _____

• Original Date: _____

• Recovered Date: _____