



June 10, 2004

**INFORMATION TECHNOLOGY MANAGEMENT,
AUDIT AND CONTROL**

(MARKS 100)

(3 hours)

- Q.1 Shamshad & Co. has felt the need to expand their business, but before initiating this, the management has contacted you as an IT consultant. You are required to advise them to develop and implement an IT Strategic Plan. Accordingly, in your first report, you need to brief them on the following:
- (a) What is the purpose of an IT Strategic Plan? Give at least five reasons. (05)
 - (b) What are the key components of an IT Strategic Plan? (05)
 - (c) What would management need to do in order to make the Strategic Plan a success? (02)
- Q.2 Good Employers Limited (GEL) is a marketing and distribution company with offices of varying sizes located all around the country. GEL is planning to improve its staff turnover, which is already lowest in the industry. They are also aiming at improving employee morale and loyalty. Human Resource (HR) Manager has been given the task of redefining company – employee relationship. Management, however, is not interested in giving any raise or extra benefits as they consider pay packages to be on the higher side in comparison with the market.
- Identify how and where an e-business model can help GEL in achieving the redefined target and also identify technological and human barriers to introducing such technologies in the company. (10)
- Q.3 Outsourcing of services is a growing trend among companies heavily relying on Information Technology (IT) for their operations.
- (a) Describe at least five benefits of outsourcing (03)
 - (b) Why some of the out sourced projects fail? (03)
- Q.4 Positive Business started operations in 1960 with a small shop selling furniture. Due to their good business practices, they have managed to acquire a loyal customer base. They have grown to be a manufacturing company with limited liability. Company was incorporated in 1970. Their business has been constantly growing and expanding in all directions. They have three manufacturing facilities with 30 outlets of various sizes. Manufacturing and large scale outlets operate as profit centers while others are managed as cost centers. Due to the large volume of transactions involved, company started using computers in 1975. Now, management believes that without specialized software for the company, it is impossible to maintain current level of operations.
- Management has decided to replace the current computer system. System replacement can be done through either as off-the-shelf package tailored to suit company's needs or having it built from scratch for the company. Both choices have their own set of advantages and disadvantages.

Being Chief Financial Officer of the company, you have been given responsibility to evaluate both options by:

- (a) Identifying and explaining at least five mistakes to be avoided in buying a business application. (10)
- (b) Listing down and explaining key issues to be incorporated in a software development agreement. (12)

Q.5 Naeem Industries is a medium sized production company, and has been reasonably successful. It now wishes to embark on export business, and is carrying out a review to identify areas requiring improvement before this major initiative. The production manager has advised that the company needs to implement an efficient Supply Chain Management (SCM) system.

- (a) Explain what is SCM? (02)
- (b) What are the goals of SCM? (03)
- (c) List three business objectives of SCM. (03)

Q.6 ABC & Co. is involved in the development of a new application to cater the needs of their purchase and procurement division. As an IT manager your CIO has entrusted the project to you and has requested you to develop the application following the traditional system development methodology. He has also requested you to prepare a paper identifying the six major phases and objectives of the traditional development methodology for the consumption of the President. You are required to prepare the document on the above lines. (12)

Q.7 One of the important responsibilities of the IT manager is capacity management of computer resources.

- (a) Explain what is computer capacity management (02)
- (b) How the capacity plan should be developed. (03)
- (c) List the information that would be required to develop the capacity plan. (02)
- (d) What are the goals of computer capacity management? (03)

Q.8 Sindh Plastic Products Limited has recently been audited, and the auditors have commented on the inadequacy of its business continuity / disaster recovery initiatives. They have highlighted the fact that although it is highly dependent on its computerized information systems, it has not made alternate processing facility arrangements. Describe five types of alternate processing facility arrangements that Sindh Plastic Products Limited can consider to safeguard itself in case of disaster. (10)

Q.9 One of the most difficult risks to control is the performance of unauthorized activities by a system security administrator. By definition, a System Security administrator needs to be able to add, delete, and change users and their access capabilities, monitor and regulate system activities, control System Security parameters, review system security and operational logs, and perform various other unrestricted tasks. To accomplish these tasks, a System Security administrator requires virtually unrestricted access within the system.

- (a) What is the challenge facing the management? (02)
- (b) How could the organization be protected from the risks posed by unlimited access being provided to the System Security administrator? (08)

(THE END)