

MODULE 4

FEASIBILITY ANALYSIS

OBJECTIVE QUESTIONS

There are 4 alternative answers to each question. One of them is correct. Pick the correct answer. Do not guess. A key is given at the end of the module for you to verify your answer

LEARNING UNIT 1

4.1.1 Pick quantified goals from those given below

- (i) payment should be made promptly
 - (ii) payment should be made before 5th of every month
 - (iii) the age of the persons should be below 35
 - (iv) the person to be recruited should be middle aged
- (a) i and ii (b) i and iii
(c) ii and iii (d) ii and iv

4.1.2 Quantification of goals is required because

- (a) without quantification no work can be done
- (b) when goals are quantified it is possible to verify unambiguously whether they have been fulfilled
- (c) goals have to be quantified for a good system
- (d) it facilitates designing a good system

4.1.3 Quantification of goals is done by

- (a) converting subjective goal statements to ones with numbers
- (b) converting subjective goal statements to objective goal statements
- (c) converting objective goal statements to subjective goal statements
- (d) removing all adjectives in a goal statement

4.1.4 Quantified version of the statement: "The inventory should be reduced substantially" is

- (a) the inventory should be reduced effectively
- (b) the inventory should be reduced significantly
- (c) the inventory should be reduced very much
- (d) the inventory should be reduced by 25%

4.1.5 Goals are identified by

- (a) finding the deficiencies in the current system
- (b) observing the current system
- (c) analyzing competitor's system
- (d) finding the advantages in the current system

4.1.6 Deficiencies in a system are pinpointed by identifying

- (i) missing function
 - (ii) excessive cost of operation
 - (iii) poor management
 - (iv) poor operation
- (a) i and iii (b) i and ii
(c) i and iv (d) ii and iii

4.1.7 Goals are identified by

- (a) discussion with all concerned
- (b) pinpointing unsatisfactory performance
- (c) finding poor management
- (d) examining a variety of documents

4.1.8 Characteristics of good goals are that they

- (i) are quantified
 - (ii) improve quality
 - (iii) are realizable within the constraints of the organization
 - (iv) aim at an ideal system
- (a) i and ii (b) ii and iv
(c) ii and iii (d) i and iii

4.1.9 Goals should be agreeable to

- (a) top management
- (b) project leader
- (c) all concerned, both management and operational staff
- (d) programmers

4.1.10 Goals should be broken down to sub-goals as it

- (a) expedites system design
- (b) provides a convenient target to aim at during system design
- (c) is recommended by experienced analysts
- (d) is good idea to use

LEARNING UNIT 2

4.2.1 During feasibility analysis it is necessary to examine several alternative solutions because

- (i) a comparison of alternatives will lead to a cost-effective solution
 - (ii) a pre-conceived single solution may turn out to be unimplementable
 - (iii) it is always good to examine alternatives
 - (iv) management normally looks at alternatives
- | | |
|---------------|---------------|
| (a) i and iii | (b) i and iv |
| (c) i and ii | (d) ii and iv |

4.2.2 A computer-based information system

- (a) may require some tasks to be done manually
- (b) should not have any manual tasks
- (c) is always fully automated
- (d) may use only computers

4.2.3 Among alternative solutions for an information system one may consider

- (a) PC based solutions only
- (b) an improved manual system
- (c) only client-server based solutions as they are popular now-a-days
- (d) whatever management decides

4.2.4 By technical feasibility of a solution we mean that

- (a) technology is available to implement it
- (b) persons are available to implement it
- (c) persons have technical ability to implement it
- (d) funds are available to implement it

4.2.5 By operational feasibility we mean

- (a) the system can be operated nicely
- (b) the system is unusable by operators
- (c) the system can be adapted by an organization without major disruptions
- (d) the system can be implemented

4.2.6 By economic feasibility of a system we mean that

- (a) it is economical to operate
- (b) it is expensive to operate
- (c) it will be cost-effective if implemented
- (d) finances are available to implement the system and it will be cost-effective

4.2.7 A solution is said to be feasible for implementation if

- (i) it is cost-effective and finance is available to implement it
 - (ii) technology is available to implement it
 - (iii) it can be adapted to work in an organization's environment
 - (iv) it has been implemented in another organization
- (a) ii and iii (b) i, ii and iii
(c) i and iv (d) i, ii and iv

LEARNING UNIT 3

4.3.1 A cost-benefit analysis is performed to assess

- (a) economic feasibility
- (b) operational feasibility
- (c) technical feasibility
- (d) all of the above

4.3.2 The primary objective of cost-benefit analysis is

- (a) to find out direct and indirect cost of developing the information system
- (b) to determine the tangible benefits of the information system
- (c) to determine if it is economically worthwhile to invest in developing the information system
- (d) to determine the intangible benefits of the information system

4.3.3 A cost-benefit analysis is performed as a part of

- (a) system design
- (b) system specification
- (c) system performance assessment
- (d) feasibility analysis

4.3.4 A cost benefit analysis consists of

- (i) finding the direct and indirect cost of developing, implementing and running the system
 - (ii) finding out the tangible and intangible benefit of the system
 - (iii) finding the investment to be made in the system
 - (iv) finding the profit which will accrue from the system
- (a) iii and iv (b) i and iv
(c) ii and iii (d) i and ii

4.3.5 The tangible benefits in the following list are

- (i) savings due to reducing investment
- (ii) savings due to sending bills faster and consequent early collection
- (iii) providing better service to the customers
- (iv) improving quality of company's products

- (a) i and ii
- (b) ii and iii
- (c) iii and iv
- (d) i and iii

4.3.6 The intangible benefits in the following list are

- (i) savings due to reducing investment
 - (ii) savings due to sending bills faster and consequent early collection
 - (iii) providing better service to the customers
 - (iv) improving quality of company's products
- (a) i and ii
 - (b) ii and iii
 - (c) iii and iv
 - (d) i and iii

4.3.7 Intangible benefits are

- (a) not very important
- (b) as important as tangible benefits
- (c) the most important benefits
- (d) irrelevant in feasibility study

4.3.8 Pick the indirect cost from the following

- (a) cost of new forms
- (b) cost of training analysts and users
- (c) cost of software to be brought
- (d) cost of fact gathering

4.3.9 In payback method one finds out

- (a) the period necessary to invest the cost of the system
- (b) the time required for the full benefits to accrue
- (c) the time at which benefits exceed cost
- (d) whether the system is able to payback amount invested

4.3.10 In simple payback method one

- (a) accounts for interest payments on benefits
- (b) ignores interest payments
- (c) only accounts for interest on capital investments
- (d) only accounts for interest on recurring expenses

4.3.11 In designing a system it is found that the cost of the system was Rs 1,50,000 and the benefit is Rs 10,000 per month. The interest is 1% per month; the payback period using payback method with interest is

- (a) 14 months
- (b) 17 months
- (c) 15 months
- (d) 20 months

4.3.12 In designing a system it is found that the cost of the system was Rs 1,50,000 and the benefit is Rs 10,000 per month. The interest is 1% per month; the payback period using the present value method is

- (a) 14 months
- (b) 17 months
- (c) 15 months
- (d) 20 months

4.3.13 In present value method one has to account for

- (a) interest rate prevalent at a given time
- (b) exchange rate prevalent at a given time
- (c) sales tax rate prevalent at a given time
- (d) both income and sales tax rates prevalent at a given time

4.3.14 At the end of the feasibility study the systems analyst

- (a) meets the users for a discussion
- (b) gives a summary feasibility report to the management
- (c) gives a systems proposal to management
- (d) tells the top management if the system is not feasible

4.3.15 The most important parts of a feasibility report are

- (i) cost-benefit analysis
 - (ii) statement of the objective of the proposed system
 - (iii) who will supply equipment for implementing the system
 - (iv) organizational changes needed to successfully implement the system
- (a) i and ii (b) i, ii and iii
(c) i and iv (d) i, ii and iv

4.3.16 A detailed system proposal is prepared by a systems analyst if

- (a) management is not clear about what the system will do
- (b) the analysts feels it is necessary to convince the management
- (c) management approves the feasibility report
- (d) the analyst feels it will be a challenging system to implement

4.3.17 The main objectives of a detailed system proposal are to

- (i) convince management about the benefits of the proposed system
 - (ii) explain in detail to the management what to expect from the system and at what cost
 - (iii) have a detailed plan on what the system will do and how it will be implemented
 - (iv) make sure that it is possible to implement the system
- (a) i and ii
 - (b) ii and iii
 - (c) i and iv
 - (d) ii and iv

4.3.18 The following are the most important points of a detailed system proposal

- (i) who will supply and install the required equipment
 - (ii) cost-benefit analysis
 - (iii) comparison of alternative solutions
 - (iv) implementation plan
- (a) i, ii and iii
 - (b) i, iii and iv
 - (c) ii, iii and iv
 - (d) ii and iii

KEY TO OBJECTIVE QUESTIONS

4.1.1	c	4.1.2	b	4.1.3	a	4.1.4	d	4.1.5	a	4.1.6	b
4.1.7	b	4.1.8	d	4.1.9	c	4.1.10	b	4.2.1	c	4.2.2	a
4.2.3	b	4.2.4	a	4.2.5	c	4.2.6	d	4.2.7	b	4.3.1	a
4.3.2	c	4.3.3	d	4.3.4	d	4.3.5	a	4.3.6	c	4.3.7	b
4.3.8	d	4.3.9	c	4.3.10	b	4.3.11	c	4.3.12	b	4.3.13	a
4.3.14	b	4.3.15	d	4.3.16	c	4.3.17	b	4.3.18	c		