

**MBA - INFORMATION TECHNOLOGY
MANAGEMENT (MBAITM)**

00144

Term-End Examination

December, 2014

MBM-023 : INFORMATION RISK MANAGEMENT

Time : 3 hours

Maximum Marks : 100

Note :

- (i) *Section I is **compulsory**. Section I carries 30 marks.*
 - (ii) *In Section II, answer any **five** questions. Section II carries 70 marks.*
 - (iii) *Assume suitable data wherever required.*
 - (iv) *Draw suitable sketches wherever required.*
 - (v) *Italicized figures to the right indicate maximum marks.*
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SECTION I

1. Read the scenario and give the answer of the following questions :

Taj Hotels has a chain of hotels in India and abroad. Every process in the hotel is supported by Information Technology. The hotel has many

Information Technology assets. They are maintaining the customer's database in such a way, that even if a customer travels in some other hotel of Taj Group in any other part of the world, his stay history is accessible. They are also using a system of alerts which helps the customer to know the package details and discounts.

The organization wants to know the possible risks associated with the IT systems they have implemented. As a consultant, prepare a Risk Management Plan for the IT systems implemented by the organization.

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2. Unilever Limited manufactures and sells FMCG products that are used by many people in various countries. These products are sold to more than 3,000 distributors in Asia. The management of the firm is concerned that the company may be sued even if one of its products is defective. The company makes extensive use of IT for their Sales and Distribution process and managing the supply chain.

(a) Describe the steps in the risk management process that the firm will use to manage risks.

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(b) Discuss five techniques that the firm can use to identify the pure loss exposures in its operations.

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SECTION II

3. Why are computerized information systems more vulnerable to many more kinds of threats than manual systems ? Name the key areas where large amounts of data stored in electronic form are most vulnerable and explain. $5+9=14$

4. What are security controls ? List and explain Internal and External Controls.

SherKhan Financial Services operate an online share trading business. The online system performs the following functionalities :

- (a) User registration.
- (b) Funds transfer between personal accounts to online trading account.
- (c) Buy/sell of shares through online system.

The company collects financial charges for each share transaction, i.e buy/sell. All the transactional data is stored in a centralized data repository. What kind of risks are associated in this system ? Also write the various control mechanisms. $5+9=14$

5. (a) Compare and contrast between qualitative and quantitative risk management. 5
- (b) Explain the applications of Risk management in Information system. 9
6. (a) Explain the parameters for Acceptable Risk for a Bank. 5
- (b) Write the consequences, if proper risk management controls are not in place. 9

7. ABC Software Solutions develop software products, offers software services and handle onsite assignments. In the beginning days the company has got a few contracts from local retail business stores to automate their business processes. The company has completed them successfully. Now, the company is receiving a long-term project (5 years), which is a multi-billion Rupees project and requires lot of additional resources to complete it.
- (a) Do the project management teams require a new risk management plan ? Write the reasons. 5
- (b) Explain risk management activities w.r.t. the new long-term project. 9
8. The United States Department of Agriculture (USDA) Economics and Statistics System is a heavily used collection of agricultural economic information that is evenly divided between time-sensitive economic reports and data series of numeric files in spreadsheet format. Some of the data series are 14-year-old ancient artefacts in the context of personal computers. Although dated, these files have historic and current value to a well-defined group of data users. The goals of this case study were to :

- Evaluate file format migration as a strategy to maintain access to these numeric files.
- Identify file format components at risk during migration.
- Identify related risk attributes associated with migration, and evaluate data migration software.

The case study was conducted with several risk-assessment tools developed during this project.

Answer the following questions which are based on this case study :

- (a) Write in brief, how Migration Risk can be quantified from findings and recommendations. 5
- (b) How can conversion software be a cost-effective, off-the-shelf commercial software program to implement a migration strategy ? 5
- (c) Write any three types of Risk Drivers. Give an account of various barriers in the Risk Analysis process. 4