The ITIL® 4 Digital and IT Strategy Examination

Sample Paper 1

Question Booklet

Multiple Choice

Examination Duration: 1 hour

Instructions

1. You should attempt all 30 questions. Each question is worth one mark.

2. There is only one correct answer per question.

3. The provisional pass mark is 21 out of 30.

4. Mark your answers on the answer sheet provided. Use a pencil (NOT pen).

5. You have 1 hour to complete this exam.

6. This is a 'closed book' exam. No material other than the exam paper is allowed.

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1) An organization is investigating locations for a new office.

   What type of external factors should be analysed to ensure that potential future employees can integrate easily into the overall organization?

   A. Political
   B. Economic
   C. Social
   D. Legal

2) A cloud storage provider wants to develop a culture of innovation based on a high tolerance for disruption.

   Which is the BEST approach for them to adopt?

   A. Implement new communication technology that will sufficiently increase income to achieve a target set by the financial department
   B. Implement many regular changes to the storage app and accept that some will fail but others will help to maintain their high market share
   C. Invest in a new version of the storage app in order to avoid losing their position in the cloud storage market
   D. Invest in new data centre infrastructure to maintain their goal of providing highly available and reliable cloud storage services

3) An organization has a number of legacy services that they need to maintain because of regulatory requirements. There are no plans to invest in improvements to these services. They plan to invest in some new services to support growing areas of the business.

   What is the BEST reason for them to create and maintain a service portfolio?

   A. To compare the business cases for the various new services, so that investment will be focused on these services, as required by the strategy
   B. To compare the cost and value of each service in order to direct investment to where it is needed, even if this means investing in legacy services
   C. To justify improvements to the legacy services in order to protect the key revenue streams of the organization
   D. To provide information about customer and user experience to help plan improvements

4) Which BEST describes an organization's vision?

    A. It describes an organization's reason to exist

    B. It describes the value an organization aims to create

    C. It describes specific strategic objectives and initiatives

    D. It describes what an organization would like to become in the future

5) An IT service provider has defined value streams to create products and services. A senior manager wants to extend this work to create an operating model, and is writing a business case to support this.

Which is the MOST important benefit that the senior manager should include in the business case?

    A. An operating model will ensure that suppliers meet their contracts, so that the service provider can create products and services

    B. An operating model will help with understanding what organization structure and people are needed to create products and services

    C. An operating model will help with understanding the sets of activities needed to create each product and service

    D. An operating model will ensure that the service provider can describe the features of the products and services that provide value to customers

6) An organization that sells apps to consumers is planning a strategy to disrupt a market by focusing on customer relevance.

Which is the BEST approach to adopt?

    A. Implement a new workflow management tool to support the sales department

    B. Respond to trends by offering deals that provide more frequent app upgrades

    C. Utilize digital technology to optimize the app development and deployment processes

    D. Reorganize the service desk to increase support hours and expand user access channels

7) An organization wants to improve its operational excellence by encouraging innovation in how services are managed. The research and development team are very innovative, but they usually focus on new products and services. The operations team are highly skilled, but do not have the money or people needed to focus on innovation.

How should the organization ensure that resources are available for operational innovations?

A. Provide the research and development team with an additional budget so that they can develop operational innovations

B. Provide the operations team with additional budget so that they can develop operational innovations

C. Move some of the existing operations team into the research and development team so that they will have time to develop innovations

D. Create an additional team and provide the time and staff so that they can develop operational innovations

8) Which approach to innovation involves a service provider utilizing existing assets and low investment to increase their market share?

A. Leverage

B. Ability to tolerate disruption

C. Incentive to innovate

D. Overall driver

9) A service provider has documented their purpose and how they will achieve it.

Which term is used to described this?

A. Digital organization

B. Business strategy

C. Product and service portfolio

D. Digital transformation

10) An organization hired a team of external consultants to produce a digital readiness assessment. The consultants spent several weeks conducting interviews and collecting information.

The scope of the assessment included:

- Governance, management, and culture
- Technology, people, processes, and partnerships

The report included detailed numerical data of hundreds of different aspects of digital readiness, and was used to create a strategy. When the organization tried to implement this strategy, it was clear that the consultants had not understood the organization, and the markets where they operate.

Which is the MOST LIKELY cause of this issue?

A. The assessment failed to consider strategy and leadership
B. The assessment was too simple
C. The assessment was too focused on technology
D. The assessment was overcomplicated

11) Which practice is PRIMARILY responsible for the collection of data to assess the success of digital or IT strategies?

A. The 'measurement and reporting' practice
B. The 'strategy management' practice
C. The 'portfolio management' practice
D. The 'financial management' practice

12) Which term describes how an organization defines and communicates how it will achieve its vision through the use of digital technology?

A. Digital organization
B. Digital transformation
C. Digital strategy
D. Digital business

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13) An organization wants to grow their business. They completed an assessment and implemented an improvement programme which has helped them deliver services very efficiently, while managing risks and containing costs.

What else do they need to consider to have a balanced approach to their strategy?

A. How to monitor and manage their operations
B. How to improve their operations
C. How to address new markets or customers
D. How to work differently to increase efficiency

14) Which should be included in the 'risk management' practice for a digital organization?

1. Developing a target architecture based on risk.
2. Ensuring actions are taken to reduce all risks.
3. Encouraging a risk management culture.
4. Ensuring governance is in place for risk management.

A. 1 and 2
B. 2 and 3
C. 3 and 4
D. 1 and 4

15) An organization works in a volatile business environment, and frequently faces significant changes and disruptions. The leaders of the organization are defining an approach to improve the organization's ability to operate and evolve despite these adverse events in the environment.

Which aspect of the organization should the leaders focus on?

A. Organizational agility
B. Organizational resilience
C. Elimination of waste
D. Improvement of workflows

16) A service provider has launched a new video communication service that is secure and easy to use. The service has become widely adopted by consumers in many markets and multiple industries. Also, the service is gradually replacing specialized competitors' services, such as webinar platforms.

Which term BEST describes what the service provider is doing from the perspective of their competitors?

  A. Industry disruption
  B. Market disruption
  C. Ecosystem disruption
  D. Organizational disruption

17) An organization has developed a digital transformation strategy that requires significant investment. There is a high degree of uncertainty surrounding the strategy and failure will result in a high financial loss.

Which organization is MOST LIKELY to benefit from following this strategy?

  A. An organization with low risk capacity, and low risk appetite
  B. An organization with low risk capacity, and high risk appetite
  C. An organization with high risk capacity, and low risk appetite
  D. An organization with high risk capacity, and high risk appetite

18) Which is a key feature of a digital mindset?

  A. Using every available opportunity to make a technology-based change
  B. Understanding how technology changes the way people live and work
  C. Automating commonly performed actions or decisions in a changing context
  D. Distinguishing changes in society from changes affecting the organization

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19) Which would MOST help an organization to identify a new strategic risk?

    A. Due diligence checks at an early step of the customer journey

    B. Due diligence checks at a late step of the customer journey

    C. A qualitative risk assessment using a risk matrix

    D. A quantitative risk assessment based on monetary calculations

20) A small IT service provider was created one year ago and has grown very fast, offering innovative products and services to the healthcare industry. Its strategy is to constantly offer new services while containing costs and maintaining quality.

Which approach to operational excellence is MOST LIKELY to be relevant for this organization?

    A. Continual improvement

    B. Technology replacement modernization

    C. Simple automation

    D. Customer analytics

21) An organization has produced a business strategy document. A section of this document describes how the organization will monitor and evaluate its performance over time.

Which concept of the service value system does this section of the document include?

    A. Governance

    B. Strategy management

    C. Value

    D. Practices

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22) A service provider differentiates itself from competitors by providing products and services that include digital components.

What is this an example of?

A. Digital technology
B. Digital organization
C. Digitization
D. Digital transformation

23) Which describes the erosion parallel operating model?

A. A new digital business model that complements an existing business model and offers choice to the consumer
B. A new digital business model that utilizes existing assets and swiftly replaces the current business model
C. A new digital business model that is funded by revenue obtained from an existing business model
D. A new digital business model that is introduced to reach new consumers and increase market share

24) An organization that develops video conferencing tools for software developers has identified that doctors and patients are interested in their products and services. The organization believes that it can create a version of its core products and services that meet the needs of this sector.

Which concept BEST describes this situation?

A. Opportunity
B. Continual improvement
C. Value
D. Practices

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25) Which describes a concept where the introduction of robots to automate work has significantly improved an organization's ability to achieve its goals?

   A. Digital technology
   B. Digital organization
   C. Digitization
   D. Digital transformation

26) An organization's strategy involves the continual maintenance of customer relevance.

   What is the BEST way to ensure this is achieved?

   A. Evaluating feedback on products and services
   B. Improving operational excellence
   C. Improving organizational resilience
   D. Using a variety of unique resources

27) A retail company has a strategy that supports their vision to reposition the company in the market, and will be supported by a major marketing campaign. A new mobile app for placing orders is an integral part of the strategy. A business case for the app has been created and has not yet been approved. The business case was developed with the help of technical and legal experts. The executive team are accountable for strategic decisions.

   Who should the business case be presented to before it is approved?

   1. The executive team
   2. Service consumers as part of the marketing campaign
   3. All those involved in developing the strategy
   4. The experts that helped develop the business case

   A. 1 and 2
   B. 2 and 3
   C. 3 and 4
   D. 1 and 4

28) A small service provider has recently started to operate in a crowded market. They have a unique technology model that will enable them to achieve operational excellence, and therefore a competitive advantage.

Which strategic approach does this situation describe?

A. Scale advantage
B. Incumbency advantage
C. Resource-based advantage
D. Customer relevance

29) An organization is defining a strategy that relies on its ability to engage with customers across several interfaces, including phone, website, app, and social media.

Which concept BEST describes the foundation of the organization's strategy?

A. Omnichannel delivery and support
B. Customer journeys
C. Customer analytics
D. Context-sensitive delivery and support

30) Which is a CORRECT description of a step in a digital transformation programme?

A. 'Implement with feedback': design the components that are not yet digitized
B. 'Define roadmap': group the changes into initiatives and sequence them
C. 'Develop vision and goals': initiate the programme and ensure resources are available
D. 'Architect changes': define the purpose of the programme and its objectives

END OF EXAMINATION

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