



ITIL® 4 Leader: Digital
and IT Strategy

Sample Paper 2

Question Booklet | Multiple Choice

Examination | 1 hour


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Sample Paper 2:

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. You need to answer 21 questions correctly to pass the exam.
4. Mark your answers on the answer sheet provided.
5. You have 60 minutes to complete this exam.
6. This is a 'closed book' exam. No material other than the exam paper is allowed.

1. An organization is taking a balanced strategic approach to addressing customer and market relevance, and operational excellence.
Which is the **BEST** way to achieve this?
 - A. Develop and maintain two separate strategies and balance their implementation
 - B. Develop and maintain a single balanced strategy
 - C. Develop and implement a strategy for operational excellence first
 - D. Develop and implement a strategy for customer and market relevance first
2. Which term is used to describe a situation where a physical document is scanned so that it can be stored on a computer?
 - A. Digital technology
 - B. Digital organization
 - C. Digitization
 - D. Digital transformation
3. An organization has an aggressive strategy to disrupt their market by increasing operational excellence. The management team cannot decide which approach to take to achieve this.
Which approach will **MOST LIKELY** help the organization succeed in disrupting the market?
 - A. Use continual improvement to maintain market position
 - B. Use intelligent automation to improve performance
 - C. Use service optimization to identify potential improvements
 - D. Use customer analytics to improve brand loyalty
4. An organization actively adopts new digital solutions and emerging technologies.
Which description of the risk factors that relate to the use of digital technology is **CORRECT**?
 - A. Emerging technology solutions are usually reliable and safe
 - B. New digital solutions introduce low cybersecurity risks
 - C. The Internet of Things (IoT) introduces extra protection of operating procedures
 - D. Organizations provide wider access to their data
5. What is the relationship between services and service offerings?
 - A. Every service should have a dedicated service offering
 - B. Every service offering describes one or more services
 - C. Every service offering describes how services are created and managed
 - D. Every service offering is the same for all services provided by an organization
6. Which is the **BEST** approach for a service provider to take when they are considering innovation?
 - A. Be as innovative as possible to maximize opportunities
 - B. Adopt innovations that are in use by competitors
 - C. Adopt innovations that give the greatest chance of success
 - D. Minimize innovation to ensure that it will be successful

7. Which activity helps leaders and managers to assess the monetary value of major strategic risks?
- A. Qualitative risk analysis
 - B. Quantitative risk analysis
 - C. Risk mitigation
 - D. Risk categorization
8. An organization wants to start a long-term digital transformation programme by investing in smaller initiatives and refining its approach using data and feedback from these initiatives.
- Which aspect of the service value system describes the focus of the organization's approach?
- A. Continual improvement
 - B. Opportunity
 - C. Practices
 - D. Governance
9. Which approach to parallel operation rapidly replaces an old solution with a new one?
- A. Cannibalism
 - B. Erosion
 - C. Concurrence
 - D. Synergism
10. An organization wants to automate the workflow that they follow when they have a new customer. The steps of this workflow vary depending on the type and size of the customer, on the services that they use, and on the relationship between the two organizations.
- Which approach is **MOST** appropriate for this?
- A. Simple automation
 - B. Complex automation
 - C. Intelligent automation
 - D. Digitization
11. Which recommendation for leaders willing to succeed in digital transformation is **CORRECT**?
- A. Promote the values and beliefs which are demonstrated by the senior executives
 - B. Hire people who understand the business of the organization, and have relevant experience
 - C. Prioritize initiatives which do not cause discomfort and difficult changes
 - D. Align the vision and plans with the established behaviours, language, and rituals
12. A small IT organization has only two members of staff and uses third parties to deliver all of its IT services. The organization has decided to create an operating model.
- Which is an essential element that must be defined by its operating model?
- A. A design for the organization structure
 - B. The portfolio of services that the organization will deliver
 - C. An architecture for IT infrastructure
 - D. Value streams showing how value will be created

13. A service provider uses digital technology as a fundamental part of how it achieves its objectives.
What could this be described as?
- A. Digital transformation
 - B. Digital strategy
 - C. Operational technology
 - D. Information technology
14. A social media company has introduced new tools to support its deployment management practice. This will enable them to regularly add new features to their services before their competitors.
What is this an example of?
- A. Achieving operational excellence
 - B. Improving portfolio optimization
 - C. Optimizing the customer journey
 - D. Increasing customer relevance
15. A device is used to process digital data.
What is this an example of?
- A. Digital technology
 - B. Digital organization
 - C. Digitization
 - D. Digital transformation
16. Which is **NOT** an example of a viable approach to leading digital transformation initiatives in an organization?
- A. Adjusting the scale and steps of the transformation to its scope and objectives
 - B. Using concepts from the organizational change management practice
 - C. Following a detailed universal implementation framework
 - D. Making incremental improvements within limited scope
17. A service provider works in a very volatile and uncertain market. They can adapt quickly to internal and external changes by adjusting the way that they work. They also continually improve the way that they work, and they have effective plans for dealing with unexpected circumstances. However, they sometimes fail to meet new and changing requirements for their products and services.
Which characteristic do they need to focus on to address this issue?
- A. Lean
 - B. Agile
 - C. Continuous
 - D. Resilient

18. An organization has agreed to undertake a digital transformation strategy that will take many years to fully implement. A team has been created to deliver the first initiative in the transformation. The team starts by producing a business case.
- What should be the scope of this business case?
- A. The entire digital transformation
 - B. The whole of the first initiative that has been assigned to this team
 - C. All initiatives that will be delivered by this team
 - D. All transformation activities that will be completed in the current financial year
19. An organization is losing market share due to poor perception of its services. They have invested in efficient and effective operations, but they still receive complaints about service quality.
- Which concept will **MOST** help the organization identify what is needed to improve perception of the services?
- A. Customer journeys
 - B. Omnichannel delivery
 - C. Portfolio management
 - D. Value streams
20. What should an organization focus on to ensure that strategy measurement and assessment is aligned with the business environment?
- A. Strategic achievements
 - B. Strategy implementation progress
 - C. Strategy relevance
 - D. Strategic positioning
21. An organization that is starting a digital transformation programme is investing in developing its staff's skills and implementing new tools. It is also revising its supplier contracts and processes to allow the organization to become more agile in its activities.
- Which aspect of the service value system is the organization investing in?
- A. Practices
 - B. Governance
 - C. Opportunity
 - D. Value
22. An organization wants to increase its investment in innovation to remain competitive. The CEO has asked the executive team to evaluate how new initiatives might help the organization to meet its stated goals and objectives.
- Which is the **BEST** approach for the executive team to take when making decisions?
- A. Checking that investments are aligned with the strategy
 - B. Changing their risk appetite to allow for more experiments
 - C. Checking if there is incentive to invest in innovation
 - D. Considering leverage of innovation investments

23. An organization has completed an internal analysis to help formulate its strategy. It has analysed which activities are needed for this strategy. It has also identified skills, competencies, and automation that will help to achieve these activities.
- Which dimension of service management has **NOT** yet been considered?
- A. Organizations and people
 - B. Information and technology
 - C. Partners and suppliers
 - D. Value streams and processes
24. An organization has a large number of servers which require expensive software updates to patch security issues. An IT manager has submitted a business case to justify the investment needed for these updates.
- What should happen **NEXT**?
- A. The requirement is critical so the business case should be approved quickly and implemented without further assessment
 - B. The business case should be assessed using portfolio management to allow the investment to be prioritized in alignment with strategic aims
 - C. The business case should be approved and then the details of the initiative added to the appropriate portfolio
 - D. Software updates should be financed from the operating budget so further approval is not required, and the initiative can go ahead
25. A service provider is facing increased competition from new competitors. These competitors have lower costs and more opportunities as they operate online only. The service provider is going to completely change its way of operating in order to remain competitive.
- Which term **BEST** describes what this service provider is doing?
- A. Ecosystem disruption
 - B. Industry disruption
 - C. Market disruption
 - D. Organizational disruption
26. An organization wants to improve its social media platform by utilizing context-sensitive delivery and support?
- Which action **BEST** supports this objective?
- A. Introduce simple automation to reduce the need for users to contact the service desk
 - B. Create software interfaces that use feedback to adapt responses to user activity
 - C. Build software applications that allow users to choose the support channel they want to use
 - D. Analyse the customer journey to identify the most popular user interface and improve its efficiency

27. A social organization has established a strategy based on the fast adoption of emerging technologies and fast response to changing market trends. The strategy is supported by the investors, but they want to understand how the funds will be used to support the increased adaptability.

What is the **BEST** approach to funding the high-adaptability strategy?

- A. Model appropriate combinations of capital and operational costs for multiple technology and market scenarios
 - B. Establish a project to address technology and market changes and allocate an accurately planned budget to the project
 - C. Make sure that all initiatives addressing the technology and market changes are run in a cloud, and managed as operational costs
 - D. Establish and find a separate research and development team to manage all innovations, and allocate sufficient capital costs to the team
28. How does an organization's purpose relate to the organization's vision?
- A. An organization's purpose includes the initiatives that are required to achieve its vision
 - B. An organization's vision describes the reason it exists and provides the context for its purpose
 - C. An organization regularly changes its purpose to support its vision
 - D. An organization's vision supports the objectives needed to fulfil its purpose

29. The IT director of a risk-averse organization is writing a business case to pursue a digital transformation strategy.

Which justification is **MOST LIKELY** to succeed?

- A. If they adopt this strategy, then they will have a very good chance of gaining market share from competitors
 - B. If they adopt this strategy, then they will have a very good chance of disrupting the market
 - C. If they do not adopt this strategy, then they are very likely to lose market share to competitors
 - D. If they do not adopt this strategy, then they may lose future opportunities for growth
30. An organization is creating a digital strategy and needs to understand what capabilities it has now.
- What should **NOT** be the primary focus of the digital readiness assessment?
- A. Strategy and positioning
 - B. IT infrastructure management
 - C. Approach to innovation
 - D. Risk management approach



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