

# Management information systems



Features of the Black Monday crash are different from the Flash Crash Black Monday – October 19, 1987, when stock exchange all over the world went down, flaking an enormous rate in an extremely short time. The Black Monday crash commenced in Hong Kong and extended west to Europe and finally reached the US subsequently the markets had already turned down by a considerable margin. There are many myths explaining the reasons of the crash, but one of the most popular explanations described by the Edward J. Markey “ Program trading was the principal cause”. The program of trading or Electronic Trading System (ETS) – executes majority of trades on stock exchange, has experienced the rapid stock executions that are performed by the computers based on external input, such as related securitys price. The excessive number of executions led the system to the crash. Because of the crash in 1987, the Dow Jones Industrial Average (DJIA) crashed by five hundred and eight (508) points (approximately 22. 61%). Whereas, The May 6, 2010 Flash Crash was a United States stock market crash in which the DJIA has fallen around thousand (1, 000) points (approximately 9%).

#### Similarities between the cases

The Flash Crash of May 6, 2010, was not a mere technical hitch. Whereas, the Black Monday was the failure program trading, overvaluation, market psychology and illiquidity. The similarities between the two crashed are meaningful and significant. In both crashes, comparatively, there was s same response of deteriorating prices prompting more and more intense selling. However, the the system was up within minutes in the flash crash 2010, whereas, the Black Monday too much time to restore the system. But it can be stated that in the both crashes, the computer system was the main problem, however, both the crashes have their particular reasons as well.

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### Problems Discussed in the Case Study

One of the main problems discussed in the case study is the poor performance of school system in America. In order to solve the problem, the data-driven information system was developed and deployed in the schools. However, it also opposed by the parents of the students by stating that the system is an unnecessary expenditure. Moreover, the parents and tutors also complained that the students spend more time on projects and creative tasks rather on course material. The teachers are enrolled in the system for their improvement, but this makes it difficult to dismiss the less effective teachers. Therefore, the system was also opposed by the teachers as they need to work hard (four hours weekly workload increased) to improve their results in the system. In general, it can be stated that any change in an organization is liked by many as well as there are a number of circumstance and people to oppose the change.

### The Success of the Solution

According to me, every successful implementation of the information system has the ability to change the fate of the organization fruitfully. Keeping in view the case study, the data-driven information system was extremely successful, however, the Information Technology systems take a number of years to get mature and productive. Moreover, the information system in the case study experienced criticism from not only the teachers but also the parents of the students. But the management keeps the system up and ultimately they get the desired objectives and goals by not only getting all the students results from the real time system but also the system facilitated the teachers to improve their skills. I think that the information system was successful enough so that it can be replicated to all the schools of the <https://assignbuster.com/management-information-systems-essay-samples-2/>

America and should become a standardized American school system.

#### References

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