***Essentials of Management Information Systems, 11e* (Laudon)**

**Chapter 1 Business Information Systems in Your Career**

1) Purchase of information systems and telecommunications equipment constituted more than half of all capital investment in the United States in 2013.

Answer: TRUE

Diff: 2 Page Ref: 5

AACSB: Information technology

CASE: Comprehension

Learning Objective: 1 - How are information systems transforming business, and what is their relationship to globalization?

2) A business model describes how a company produces, delivers, and sells a product or service to create wealth.

Answer: TRUE

Diff: 1 Page Ref: 11

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

3) Information systems consists of all the hardware and software that a firm needs to use in order to achieve its business objectives.

Answer: FALSE

Diff: 2 Page Ref: 13

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

4) An extranet is a private intranet extended to authorized users outside the organization.

Answer: TRUE

Diff: 1 Page Ref: 17

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

5) Information systems literacy describes the behavioral approach to information systems, while computer literacy describes the technical approach.

Answer: FALSE

Diff: 1 Page Ref: 15

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

6) The dimensions of information systems are people, organizations, and information technology.

Answer: TRUE

Diff: 1 Page Ref: 15

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

7) In order to understand how a specific business firm uses information systems, you need to know something about the history and culture of the company.

Answer: TRUE

Diff: 1 Page Ref: 16

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

8) Developing a new product, fulfilling an order, or hiring a new employee are all examples of business processes.

Answer: TRUE

Diff: 1 Page Ref: 16

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

9) Business processes are those logically related tasks for accomplishing tasks that have been formally encoded by an organization.

Answer: FALSE

Diff: 2 Page Ref: 16

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

10) Employee attitudes about their jobs, employers, or technology can have a powerful effect on their abilities to use information systems productively.

Answer: TRUE

Diff: 1 Page Ref: 16

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

11) A network requires at least three computers and a shared resource.

Answer: FALSE

Diff: 2 Page Ref: 17

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

12) An IT infrastructure provides the platformon which the firm can build its information systems.

Answer: TRUE

Diff: 1 Page Ref: 17

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

13) UPS's use of Web-based tools that allow customers to embed UPS functions, such as tracking and cost calculations, into their own Web sites was an information systems solution used to achieve customer intimacy.

Answer: TRUE

Diff: 3 Page Ref: 19

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of categorize

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

14) Identifying a problem includes agreeing that a problem exists.

Answer: TRUE

Diff: 1 Page Ref: 21

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

15) Political conflict is an example of the people dimension of business problems.

Answer: FALSE

Diff: 3 Page Ref: 21-22

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

16) As a result of new public laws, accountants are beginning to perform more technical duties, such as auditing systems and networks.

Answer: TRUE

Diff: 2 Page Ref: 25

AACSB: Information technology

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

17) IT managerial jobs are outsourced easily because of the universal standards used by the Internet.

Answer: FALSE

Diff: 2 Page Ref: 27

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of examine

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

18) An understanding of enterprise-wide systems for customer relationship management is one of the skills relevant to careers in marketing.

Answer: TRUE

Diff: 2 Page Ref: 26

AACSB: Information technology

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

19) Whereas marketing and financial careers have been transformed by the growth in information systems, management has-so far-remained relatively unaffected.

Answer: FALSE

Diff: 2 Page Ref: 26

AACSB: Information technology

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

20) There are two types of outsourcing: offshore outsourcing and foreign outsourcing.

Answer: FALSE

Diff: 2 Page Ref: 27

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

21) As discussed in the chapter opening case, the Giants' new ticketing information systems is an effort to achieve which of the primary business objectives?

A) Customer and supplier intimacy

B) Improved decision making

C) Operational excellence

D) New products and services

Answer: B

Diff: 3 Page Ref: 4

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of compare

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

22) Journalist Thomas Friedman's description of the world as "flat" referred to:

A) the flattening of economic and cultural advantages of developed countries.

B) the use of the Internet and technology for instantaneous communication.

C) the reduction in travel times and the ubiquity of global exchange and travel.

D) the growth of globalization.

Answer: A

Diff: 2 Page Ref: 10

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 1 - How are information systems transforming business, and what is their relationship to globalization? - How are information systems transforming business, and what is their relationship to globalization?

23) The six important business objectives of information system investment include all of the following *except*:

A) competitive advantage.

B) employee morale.

C) improved decision making.

D) survival.

Answer: B

Diff: 2 Page Ref: 11

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

24) The use of information systems because of necessity describes the business objective of:

A) survival.

B) improved business practices.

C) competitive advantage.

D) improved flexibility.

Answer: A

Diff: 2 Page Ref: 12

AACSB: Information technology

CASE: Comprehension

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

25) All of the following choices describe ways for a company to achieve a competitive advantage, *except*:

A) producing a superior product and charging less than competitors.

B) implementing information systems to support better management decision making.

C) garnering more sales and profits than your competitors.

D) using information systems to create new and popular products that your competitors cannot duplicate.

Answer: B

Diff: 3 Page Ref: 12

AACSB: Analytical thinking

CASE: Analysis in terms of compare

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

26) Verizon's implementation of a Web-based digital dashboard to provide managers with real-time information, such as customer complaints, is an example of:

A) improved flexibility.

B) improved decision making.

C) improved efficiency.

D) customer and supplier intimacy.

Answer: B

Diff: 2 Page Ref: 12

AACSB: Information technology; Analytical thinking

CASE: Analysis in terms of categorize

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

27) The move of retail banking to use ATMs after Citibank unveiled its first ATMs illustrates the information system business objective of:

A) improved efficiency.

B) customer and supplier intimacy.

C) survival.

D) competitive advantage.

Answer: C

Diff: 2 Page Ref: 12

AACSB: Information technology; Analytical thinking

CASE: Analysis in terms of categorize

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

28) An information system can be defined technically as a set of interrelated components that collect (or retrieve), process, store, and distribute information to support:

A) decision making and control in an organization.

B) communications and data flow.

C) managers analyzing the organization's raw data.

D) the creation of new products and services.

Answer: A

Diff: 2 Page Ref: 13

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

29) The three activities in an information system that produce the information organizations use to control operations are:

A) information retrieval, research, and analysis.

B) input, output, and feedback.

C) input, processing, and output.

D) data analysis, processing, and feedback.

Answer: C

Diff: 1 Page Ref: 13

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

30) All of the following describe the effects of globalization *except*:

A) significant decreases in operating costs.

B) reduction of labor costs through outsourcing.

C) ability to find low-cost suppliers.

D) increases in transaction costs.

Answer: D

Diff: 3 Page Ref: 10-11

AACSB: Analytical thinking

CASE: Analysis in terms of appraise; differentiate

Learning Objective: 1 - How are information systems transforming business, and what is their relationship to globalization?

31) The average number of tickets sold daily online is an example of:

A) input.

B) raw data.

C) meaningful information.

D) output.

Answer: C

Diff: 1 Page Ref: 13

AACSB: Analytical thinking

CASE: Analysis in terms of categorize

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

32) Output:

A) is feedback that has been processed to create meaningful information.

B) is information that is returned to appropriate members of the organization to help them evaluate the input stage.

C) transfers raw data to the people who will use it or to the activities for which it will be used.

D) transfers processed information to the people who will use it or to the activities for which it will be used.

Answer: D

Diff: 1 Page Ref: 13

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

33) Converting raw data into a more meaningful form is called:

A) capturing.

B) processing.

C) organizing.

D) feedback.

Answer: B

Diff: 1 Page Ref: 13

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

34) An example of raw data from a national chain of automobile stores would be:

A) average of 13 Toyotas sold daily in Kentucky in 2007.

B) 300 Toyota RAV4s sold during fourth quarter 2007 in Kentucky.

C) 1 Toyota RAV4 sold January 7, 2008 in Louisville, Kentucky - $28000.

D) annual sales of Toyota RAV4s increased 2.4 percent.

Answer: C

Diff: 3 Page Ref: 13

AACSB: Analytical thinking

CASE: Analysis in terms of categorize

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

35) Electronic computers and related software programs are the technical foundation, the tools and materials, of:

A) all business procedures.

B) information accumulation.

C) modern information systems.

D) all industrialized countries.

Answer: C

Diff: 2 Page Ref: 14-15

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

36) The field that deals with behavioral issues, as well as technical issues surrounding the development, use, and impact of information systems used by managers and employees in the firm, is called:

A) information systems literacy.

B) information systems architecture.

C) management information systems.

D) information technology infrastructure.

Answer: C

Diff: 2 Page Ref: 15

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

37) A hierarchy:

A) results in a clear-cut division of labor.

B) is composed primarily of experts trained for different functions.

C) is a pyramid structure of rising authority and responsibility.

D) is used primarily in large organizations to define job roles.

Answer: C

Diff: 1 Page Ref: 16

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

38) In a hierarchical organization, the upper levels consist of:

A) managerial and professional workers.

B) managerial, professional, and technical workers.

C) professional and operational workers.

D) managerial, professional, and operational workers.

Answer: B

Diff: 2 Page Ref: 16

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

39) The fundamental set of assumptions, values, and ways of doing things that has been accepted by most of a company's members is called its:

A) culture.

B) environment.

C) atmosphere.

D) values.

Answer: A

Diff: 1 Page Ref: 16

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

40) All of the following can be considered managerial responsibilities *except*:

A) making action plans to solve organizational problems.

B) creating new products and services.

C) designing new information systems.

D) allocating human resources to coordinate the work to be done.

Answer: C

Diff: 2 Page Ref: 17

AACSB: Analytical thinking

CASE: Analysis in terms of compare

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

41) Data management technology consists of:

A) the physical hardware and media used by an organization for storing data.

B) the detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.

C) the software governing the organization of data on physical storage media.

D) the hardware and software used to transfer data.

Answer: C

Diff: 2 Page Ref: 17

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

42) A database that receives employee manual input of customer names and addresses is riddled with errors and you have been charged with rectifying the situation. In taking an organizational perspective of this problem, you would be considering:

A) the skill levels of the employees inputting the data.

B) the training given to the employees inputting the data.

C) the types of reviews in place for selecting data input personnel.

D) the types of automatic error checking provided by the input software.

Answer: C

Diff: 2 Page Ref: 18-23

AACSB: Application of knowledge; Information technology

CASE: Analysis in terms of categorize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

43) Intranets:

A) are based on mainframe technology.

B) are multiple networks joined together.

C) are typically used to communicate with the business's trusted vendors.

D) use Internet technology for a private company network.

Answer: D

Diff: 2 Page Ref: 17

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

44) The first step in the four-step model of business problem solving is:

A) agreeing that a problem exists.

B) identifying the problem.

C) outlining the problem's causes.

D) assigning the problem to a problem solver.

Answer: B

Diff: 1 Page Ref: 21

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

45) Inadequate database capacity is an example of the \_\_\_\_\_\_\_\_ dimension of business problems.

A) technology

B) organizational

C) people

D) management

Answer: A

Diff: 2 Page Ref: 22

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of categorize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

46) Legal and regulatory compliance is an example of the \_\_\_\_\_\_\_\_ dimension of business problems.

A) management

B) organizational

C) people

D) technology

Answer: C

Diff: 3 Page Ref: 22

AACSB: Analytical thinking

CASE: Analysis in terms of categorize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

47) You are a new manager at a plumbing supply manufacturer where there is an unusually high number of returns for a new aerator for a high-end faucet in production. In viewing the problem you determine that the primary cause is the improperly designed die cast for the aerator. Which dimension of a business problem does this reflect?

A) People

B) Technology

C) Management

D) Organizational

Answer: A

Diff: 3 Page Ref: 22

AACSB: Application of knowledge; Analytical thinking

CASE: Analysis in terms of assess; compare

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

48) Poor business processes is an example of the \_\_\_\_\_\_\_\_ dimension of business problems.

A) management

B) organizational

C) people

D) infrastructure

Answer: B

Diff: 2 Page Ref: 22

AACSB: Analytical thinking

CASE: Analysis in terms of categorize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

49) The owners of Speed-EZ, a new bike messenger service, are concerned about how they will manage their messengers once they have left the office. This is a business problem that falls into the:

A) management dimension.

B) people dimension.

C) organizational dimension.

D) technology dimension.

Answer: B

Diff: 3 Page Ref: 22

AACSB: Analytical thinking

CASE: Analysis in terms of categorize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

50) Flapjack Flats, a new pancake chain, is having difficulty finding pancake chefs. This is a business problem that falls into the:

A) management dimension.

B) people dimension.

C) organizational dimension.

D) technical dimension.

Answer: C

Diff: 3 Page Ref: 22

AACSB: Analytical thinking

CASE: Analysis in terms of categorize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

51) In choosing the best solution for a business problem, one of the most important considerations is:

A) change management.

B) existing resources and skills.

C) employee training.

D) outcome measurement.

Answer: B

Diff: 3 Page Ref: 22

AACSB: Reflective thinking

CASE: Analysis in terms of assess

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

52) The final step in the four-step model of business problem solving is:

A) outcome.

B) implementation.

C) change management.

D) feedback.

Answer: B

Diff: 1 Page Ref: 23

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

53) Which of the following would *not* be considered part of the implementation phase of problem solving?

A) Change management

B) Purchasing hardware for an information systems solution

C) Training an employee on new systems software

D) Evaluating a selection of software packages for implementing a new business process

Answer: D

Diff: 2 Page Ref: 23

AACSB: Analytical thinking

CASE: Analysis in terms of categorize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

54) The failure of NASA's initial solution to preventing the space shuttle shedding foam illustrates:

A) the importance of training employees on new business processes.

B) the need to prepare for measuring outcomes of a business solution.

C) the continuous nature of problem solving.

D) the need to quickly adapt to new technological innovations.

Answer: C

Diff: 2 Page Ref: 23

AACSB: Analytical thinking

CASE: Analysis in terms of compare

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

55) One of the most frequent errors in problem solving is:

A) rushing to judgment.

B) not being aware of personal limitations.

C) being too doubtful.

D) following a rote pattern of decision making.

Answer: A

Diff: 2 Page Ref: 24

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

56) A major criterion in deciding the most important perspectives of a business problem is:

A) implementation.

B) change management.

C) usefulness.

D) organizational needs.

Answer: C

Diff: 3 Page Ref: 24

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

57) Which of the following is an example of a business using information systems to create new products and services?

A) Apple's creation of the iPod

B) JC Penney's information system that allows its contract manufacturers to see what garments have been sold and need to be replaced

C) Toyota's legendary TPS that has created superlative efficiencies and enabled Toyota to become the world's largest auto maker

D) Verizon's Web-based digital dashboard providing real-time company information for managers

Answer: A

Diff: 2 Page Ref: 11

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of categorize

Learning Objective: 2 - Why are information systems so essential for running and managing a business today? - Why are information systems so essential for running and managing a business today?

58) An example of a business using information systems to attain competitive advantage is:

A) Apple's creation of the iPod.

B) JC Penney's information system that allows its contract manufacturers to see what garments have been sold and need to be replaced.

C) Toyota's legendary TPS that has created superlative efficiencies and enabled Toyota to become the world's largest auto maker.

D) Verizon's Web-based digital dashboard providing real-time company information for managers.

Answer: C

Diff: 3 Page Ref: 12

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of categorize

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

59) An example of a business using information systems for customer and supplier intimacy is:

A) Apple's creation of the iPod.

B) JC Penney's information system that allows its contract manufacturers to see what garments have been sold and need to be replaced.

C) Toyota's legendary TPS that has created superlative efficiencies and enabled Toyota to become the world's largest auto maker.

D) Verizon's Web-based digital dashboard providing real-time company information for managers.

Answer: B

Diff: 2 Page Ref: 12

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of categorize

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

60) An information skill important for an accounting major would be:

A) an understanding of online transaction and reporting systems.

B) an understanding of product management enterprise systems.

C) an understanding of supplier management enterprise systems.

D) an understanding of enterprise systems that enhance leadership.

Answer: A

Diff: 3 Page Ref: 25

AACSB: Information technology

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

61) An information skill important for a marketing major would be:

A) an understanding of online transaction and reporting systems.

B) an understanding of product management enterprise systems.

C) an understanding of supplier management enterprise systems.

D) an understanding of enterprise systems that enhance leadership.

Answer: B

Diff: 2 Page Ref: 26

AACSB: Information technology

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

62) Consider an information system in a moving company that analyzes travel patterns and decides which routes are the most efficient for every van. The need for employees to follow procedures to update this system with arrival and departure times would be considered a(n) \_\_\_\_\_\_\_\_ element of the system.

A) organizational

B) managerial

C) people

D) technology

Answer: A

Diff: 2 Page Ref: 16

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of categorize

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components? - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

63) What is the estimated growth rate for information systems managers' jobs through 2020?

A) 15%

B) -1%

C) 45%

D) 5%

Answer: D

Diff: 2 Page Ref: 26

AACSB: Information technology

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

64) To make sure they stock clothes that their customers will purchase, a department store implements a new application that analyzes spending levels at their stores and cross references this data to popular clothing styles. This is an example of using information systems to support a business strategy of:

A) new products, services, and business models.

B) survival.

C) customer and supplier intimacy.

D) improved decision making.

Answer: C

Diff: 2 Page Ref: 11-12

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of categorize

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

65) Financial managers work directly with \_\_\_\_\_\_\_\_ to ensure investments in information systems help achieve corporate goals.

A) operations managers

B) senior managers

C) marketing managers

D) accounting managers

Answer: B

Diff: 2 Page Ref: 25

AACSB: Information technology

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

66) Operations management, as a discipline, is directly relevant to all of the following occupational categories *except*:

A) industrial production managers.

B) operations analysts.

C) administrative service managers.

D) financial managers.

Answer: D

Diff: 2 Page Ref: 26

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

67) Assume you work for a package delivery service in a major metropolitan area and that the business has been losing customers for several years. You have been asked to find a solution to this problem, perhaps one which uses modern information technologies. What is the correct way to proceed?

A) Look for solutions, evaluate the solutions, identify the problem more clearly, and then implement the solution.

B) Think about what solutions can be implemented, look for solution designs, evaluate the designs, and then implement the solution.

C) Identify the problem, design alternative solutions, choose the best solution, and then implement the solution.

D) Design solutions, evaluate and identify the problems, choose the best solution, and then implement the solution.

Answer: C

Diff: 2 Page Ref: 21

AACSB: Analytical thinking; Application of knowledge; Information technology

CASE: Analysis in terms of organize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

68) Which of the following statements is *not* true?

A) The most common and successful offshore outsourcing projects involve production programming and system maintenance programming work, along with call center work.

B) Inflation in Indian wages for technology work is leading to a counter movement of jobs back to the United States.

C) The fear that offshore outsourcing will reduce demand for new information system hires in the U.S. is mitigated by the fact that reduced IT expenditures results in increased IT investments and the creation of domestic jobs.

D) The impact of domestic IT outsourcing has been very disruptive to some regional areas of the U.S.

Answer: D

Diff: 2 Page Ref: 27

AACSB: Information technology

CASE: Comprehension

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

69) The culture of UPS places service to the customer among the company's highest business objectives, which is reflected in their use of information systems to enable customer tracking of their packages. Based on your reading of Chapter 1, why is "culture" an important factor to consider when building information system solutions to business problems?

A) Culture is one element that can be radically changed, not always for the better, by new information systems.

B) Culture affects how information system solutions are implemented and used.

C) Culture is a cauldron of employee perspectives and conflicts, which can be used to improve business processes.

D) Culture is the driving force behind decision making and innovation.

Answer: B

Diff: 3 Page Ref: 16

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of assess

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components? - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

70) Based on your reading of the case discussing mobile handhelds in the workplace, PepsiCo's custom iPhone app to coordinate deliveries enhances which of the following generic business objectives?

A) New products, services, and business models

B) Survival

C) Improved decision making

D) Customer and supplier intimacy

Answer: D

Diff: 3 Page Ref: 8

AACSB: Analytical thinking; Information technology

CASE: Analysis in terms of categorize

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

71) Data is information that has been shaped into a form that is meaningful to human beings.

Answer: FALSE

Diff: 1 Page Ref: 13

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

72) Feedback is output returned to appropriate members of the organization to help them evaluate or correct the input stage.

Answer: TRUE

Diff: 2 Page Ref: 13

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

73) The world's largest and most widely used network is:

A) usa.gov.

B) the Web.

C) the Internet.

D) DARPAnet.

Answer: C

Diff: 1 Page Ref: 17

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

74) Detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system describes:

A) software.

B) programming.

C) enterprise applications.

D) business intelligence.

Answer: A

Diff: 1 Page Ref: 17

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

75) \_\_\_\_\_\_\_\_ is a service provided by the Internet that uses universally accepted standards for storing, retrieving, formatting, and displaying information in a page format.

A) FTP

B) E-mail

C) The Web

D) HTML

Answer: C

Diff: 1 Page Ref: 17

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

76) Intranets are private corporate networks extended to authorized users outside the organization.

Answer: FALSE

Diff: 1 Page Ref: 17

AACSB: Information technology

CASE: Comprehension

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

77) Which of the following is *not* one of the three major categories of business problem solving?

A) Environment

B) Organization

C) Technology

D) People

Answer: A

Diff: 2 Page Ref: 21

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems? - How will a four-step method for business problem solving help you solve information system-related problems?

78) Large corporations have been slow to adopt mobile computing as a platform.

Answer: FALSE

Diff: 2 Page Ref: 8

AACSB: Information technology

CASE: Comprehension

Learning Objective: 1 - How are information systems transforming business, and what is their relationship to globalization?

79) Encouraging employees to adapt to new business processes is an important factor in change management.

Answer: TRUE

Diff: 2 Page Ref: 23

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems? - How will a four-step method for business problem solving help you solve information system-related problems?

80) All of the following are elements of critical thinking *except*:

A) being aware of personal limitations.

B) maintaining doubt.

C) relying on gut instinct.

D) testing alternatives.

Answer: C

Diff: 2 Page Ref: 23

AACSB: Application of knowledge

CASE: Comprehension

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

81) Define operational excellence. How can information systems help achieve it?

Answer: Operational excellence is the achievement of higher levels of productivity and efficiency. Information systems can help achieve operational excellence by improving communications to suppliers and optimizing the supply chain. Information systems could help managers communicate with workers more efficiently, enable technological innovation in products, minimize warehouse overhead, and streamline distribution.

Diff: 2 Page Ref: 11

AACSB: Information technology; Written and oral communication; Reflective thinking

CASE: Synthesis in terms of devise

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

82) You work for an auto manufacturer and distributor. How could you use information systems to achieve greater customer intimacy?

Answer: You could create a web site that allows customers to customize cars, communicate with support personnel and other car owners. You could create an automated e-mail service reminding car owners to take their car in for periodic check ups. You could have an information system that tracks customer preferences in local areas, so you can provide cars that reflect local customer needs and desires.

Diff: 2 Page Ref: 11-12

AACSB: Application of knowledge; Written and oral communication; Information technology

CASE: Synthesis in terms of devise

Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

83) What important managerial function is impaired by not having access to timely and accurate information? What is the effect of this lack of data?

Answer: The managerial function is decision making. Without access to timely and accurate information, business managers rely on forecasts, best guesses, and luck. The result is over- or under-production of goods and services, misallocation of resources, and poor response times. These poor outcomes raise costs and lose customers.

Diff: 2 Page Ref: 12

AACSB: Information technology; Analytical thinking; Written and oral communication

CASE: Synthesis in terms of predict; Evaluation in terms of appraise; conclude

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

84) Describe the people dimension of information systems and give an example. Is this dimension as vital as the technology dimension when considering a technology-based solution to a business problem?

Answer: The people dimension describes all of the factors related to employees, from operational personnel to senior management. Essentially, an organization and its information systems are worthless without skilled employees. For example, a people dimension of implementing a new information system is ensuring users are properly trained to use the system. The people dimension is just as vital as the other dimensions - the success of an information system depends on the people implementing and operating it. In addition, as a resource, employees are expensive to hire, manage, and train, whereas technology and hardware can be relatively inexpensive.

Diff: 2 Page Ref: 16-17

AACSB: Reflective thinking; Information technology; Written and oral communication

CASE: Synthesis in terms of apply; generalize

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

85) You are a marketing manager for a national movie theater chain. Give an example of data that your department could use for creating meaningful information. What type of information could that data produce?

Answer: Movie ticket sales from individual theaters would be an example of raw data. Meaningful information from this would be: average number of tickets sold to seniors on certain days of the week.

Diff: 1 Page Ref: 13-14

AACSB: Information technology; Application of knowledge; Written and oral communication

CASE: Synthesis in terms of devise

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

86) Define business process. What might be a business process used at a hospital?

Answer: A business process is a set of logically related tasks and behaviors for accomplishing work. Hiring a new employee, customer intake, and filing medical records are examples of business processes at a hospital.

Diff: 2 Page Ref: 16

AACSB: Reflective thinking; Written and oral communication

CASE: Synthesis in terms of devise

Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

87) Describe the four steps taken in solving a business problem.

Answer: The four steps are problem identification, solution design, choice of a solution, and implementation. In the problem identification step, relevant people in an organization must agree that a problem exists, about what the problem is, what its causes are, and what can be done about the problem given the organization's resources. In the solution design step, as many solutions as possible should be determined. In the choicestep, you choose the best solution from the list of options determined in the previous step. It is important to match a choice to existing resources, skills, and feasibility. In the last step, implementation, the solution is put in place. In information systems solutions, this may include purchasing hardware or software and testing it. Implementation also includes employee training, change management, and using a method to measure the outcome.

Diff: 2 Page Ref: 21-22

AACSB: Written and oral communication; Analytical thinking

CASE: Analysis in terms of summarize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

88) What are the three dimensions to business problems? Give an example of each.

Answer: The three dimensions to business problems are:

(1) Organizational: This may include outdated business processes, unsupportive culture and attitudes, political conflict, turbulent business environment and change, complexity of task, inadequate resources.

(2) Technology: This may include insufficient or aging hardware, outdated software, inadequate data management, insufficient telecommunications capacity, incompatibility of old systems with new technology, and rapid technological change.

(3) People: This may include lack of employee training, difficulties in evaluation performance, legal and regulatory compliance, work environment, lack of employee support and participation, indecisive management, or poor management.

Diff: 2 Page Ref: 21-22

AACSB: Analytical thinking

CASE: Analysis in terms of summarize

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

89) The department chain you work for has had numerous complaints about slow customer service. Your colleague, a sales manager, informs you that this happened at a previous store she worked for, and it was cleared up by hiring more sales representatives. Should you take her advice? Why not? What techniques can you use in evaluating the problem?

Answer: The advice should not be taken, as it is a rush to judgment, which could mean that the wrong solution is used, wasting time and resources. You should ask the colleague to employ critical thinking. Critical thinking is sustained suspension of judgment with an awareness of multiple perspectives and alternatives. It involves at least four elements:

• Maintaining doubt and suspending judgment

• Being aware of different perspectives

• Testing alternatives and letting experience guide

• Being aware of organizational and personal limitations

Diff: 2 Page Ref: 23-24

AACSB: Interpersonal relations and teamwork

CASE: Synthesis in terms of apply

Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

90) Describe at least three of the general information skills essential for all business careers.

Answer: General information skills essential for all business careers include (1) understanding how information systems and technologies can help firms achieve business objectives such as operational efficiency, developing new products and services, and maintaining customer intimacy. Also essential is (2) understanding the central role of databases in a modern firm as well as (3) developing skills in the analysis of information in order to help firms understand and make sense out of their environments. (4) All business majors need to be able to work with specialists and system designers who build and implement information systems. This is necessary to ensure that the systems that are built actually service business purposes and provide the information and understanding required by managers and employees. In addition, students need to (5) understand how information systems work in relation to social and community issues, including ethical issues and how systems must meet requirements for reporting to government regulators and the public.

Diff: 3 Page Ref: 28

AACSB: Written and oral communication

CASE: Synthesis in terms of generalize

Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential? - How will information systems affect business careers, and what information systems skills and knowledge are essential?