ch01

1. Having a basic understanding of information systems is good, but not nearly as important as understanding other functional business areas.

True False

2. Information technology can help all kinds of businesses improve the efficiency and effectiveness of their business processes and managerial decision making.

True False

3. Maintenance is one of the key activities in the development and management of a business information system.

True False

4. One system can be made up of other systems or can be a part of a bigger system.

True False

5. Smoke signals and library card catalogs are examples of an information system.

True False

6. The term "information technology" refers to all of the components and resources necessary to deliver the information and functions of a system to an organization.

True False

7. An information system can use hardware as simple as a pencil and paper to capture and store its data.

True False

8. Gaining a strategic advantage over competition requires the innovative application of information technologies.

True False

9. Integration of business systems allows greater flexibility and provides greater business support than any of the individual systems could provide alone.

True False

10. Most retail stores now use computer-based information systems to keep track of inventory, but few use them to evaluate sales trends.

True False

11. Decision support systems (DSS) provide managerial end users with ad hoc and interactive support of their decision-making processes.

True False

12. Expert systems can serve as consultants to users by providing expert advice in limited subject areas.

True False

13. An *extranet* is an Internet-like network inside the enterprise; an *intranet* is between the enterprise and its trading partners.

True False

14. Enterprise collaboration systems involve the use of software tools to support e-commerce functions with customers and suppliers.

True False

15. A process control system is an example of an operation support system that records and processes data resulting from business transactions.

True False

16. In real-time processing, data are processed immediately after a transaction occurs.

True False

17. Management information systems (MIS) provide information in the form of reports and displays.

True False

18. An information system that supports accounting is an example of a functional business system.

True False

19. Information systems that focus on operational and managerial applications in support of basic business functions, such as accounting, are known as *strategic information systems*.

True False

20. An expert system can provide advice for operational chores, such as equipment diagnostics or loan portfolio management.

True False

21. Mismanagement or misapplication of information systems can ultimately result in business failure.

True False

22. A large-scale movement to outsource basic software programming functions to India, the Middle East, and Asia-Pacific countries has resulted because U.S. programmers have been inadequately trained.

True False

23. Falling prices of computer hardware and software should continue to induce more businesses to expand their computerized operations.

True False

24. Increased importance placed on cyber-security will reduce the need for workers skilled in information security.

True False

25. The human body and an oil refinery can both be classified as systems.

True False

26. In order for something to be classified as a "system", a computerized environment must be involved.

True False

27. A home temperature control system is an example of a cybernetic system.

True False

28. A sales manager exercises control when reassigning salespersons to new territories after evaluating feedback about their sales performance.

True False

29. An organization is considered an *open system* when it interfaces and interacts with other systems in its environment.

True False

30. Multiple systems never share an environment; each has its own.

True False

31. Information systems are just like any other system, but their value to the modern organization is unlike any other system ever created.

True False

32.	Anyone who uses an information system or the information it produces can be referred to as an end user. True False
33.	Most end users in business are referred to as knowledge workers, people who spend most of their time communicating, collaborating, and creating, using, and distributing information. True False
34.	Optical disks and plastic cards are examples of hardware resources, but paper forms are not. True False
35.	In the context of the information systems model, computer peripherals typically consist of hardware devices, such as keyboards, and productivity tools, such as word processing software. True False
36.	In the context of the information systems model, data resources are typically organized as <i>databases</i> and <i>expert systems</i> . True False
37.	In the context of the information systems model, information is subjected to a "value-added" process that converts it to data that meet the needs of end users. True False
38.	Data can be thought of as context independent. This means that a list of numbers or name by themselves do not provide an understanding of the context in which they were recorded. True False
39.	Data are raw facts or observations, typically about physical phenomena or business transactions. True False
40.	In information systems activities, the processing of data resources typically takes the form of data entry activities. True False
41.	In information systems activities, a <i>user interface</i> commonly refers to a more convenient and efficient method of end-user input and output with a computer system. True False
42.	Calculating employees' pay, federal taxes, and other payroll deductions is a business example of a computerized processing activity. True False
43.	After data has been entered into a computerized information system, it is usually not necessary to correct or update it. That is the benefit of a computerized system—once entered, always correct. True False
44.	Information technology can be used to support A. product development teams B. customer support processes C. any other business activity D. All the choices are correct.
45.	In its simplest form, a system consists of all the following <i>except</i> : A. A group of cooperative users B. A set of interrelated components C. A clearly defined boundary D. A common set of objectives

- 46. According to the Real World case, eCourier embraced technology by:
 - A. Doing the same things that all their competitors were doing successfully.
 - B. Installing a new computerized bar-scanning system for packages.
 - C. Enabling a new telephone system for customers.
 - D. Giving all their couriers handheld GPS units for tracking and communication.
- 47. According to the Real World case, eCourier uses SeeWhy software to:
 - A. Track packages that have not been delivered.
 - B. Provide business intelligence in terms of customer satisfaction.
 - C. Interface with their accounting software.
 - D. All of the above.
- 48. According to the Real World Case, the goal of Bryan Cave is:
 - A. To have the best value for their customers.
 - B. To create increased profit per customer.
 - C. To build the best long-term relationships in the world.
 - D. All the above.
- 49. According to the Real World Case, the Bryan Cave law firm had difficulty billing its real estate customers because:
 - A. The developers could not afford their rates.
 - B. Developers think in terms of square feet, not hours worked.
 - C. Their lawyers did not understand the real estate profession.
 - D. None of the above.
- 50. According to the Real World Case, the big problem facing the Bryan Cave law firm in 2002 was:
 - A. Communications between all their lawyers and offices.
 - B. Dealing with the differences in laws around the world.
 - C. Billing their clients correctly.
 - D. Making the highest profits from their resources while delivering the highest customer value.
- 51. All the following are examples of an information system, except:
 - A. A day planner
 - B. A cash register
 - C. A group of marbles in a box
 - D. A paper-based accounting ledger
- 52. According to the text, most retail stores today use computer-based information systems to support business processes and operations. This support falls broadly into the categories of:
 - A. Business decisions and strategies for competitive advantage.
 - B. Operations and support strategies.
 - C. Business decisions and operations.
 - D. Strategic business decisions and tactical business decisions.
- 53. How do information systems aid in decision making?
 - A. Information systems help companies determine investments.
 - B. Information systems help companies determine which products to sell or discontinue.
 - C. Information systems can be used to gain competitive advantage.
 - D. All of the choices are correct.
- 54. All of the following are fundamental reasons for business applications of information technology *except*:
 - A. Support of strategies for competitive advantage
 - B. Support of business processes and operations
 - C. Compliance with environmental regulations
 - D. Decision making support

55.	According to the textbook case, Welch's uses BI software from Oco to: A. manage their gasoline usage. B. decide which products should be produced. C. ensure that its carriers are shipping full truckloads to customers. D. follow new competitive trends from its competitors.
56.	According to the textbook case, the Oco BI software used by Welch's: A. increases the number of deliveries made on Fridays. B. assures that most deliveries are not made on Fridays. C. assures that most deliveries are made on Fridays. D. helps them even out the number of delivery trucks used each day of the week.
57.	 The expanding role of information systems from the 1950s to the present, in sequential order, are: A.Management reporting, decision support, electronic business and commerce, data processing, strategic and end user support B.Data processing, management reporting, strategic and end user support, electronic business and commerce, decision support C.Data processing, management reporting, decision support, strategic and end user support, electronic business and commerce D.Electronic business and commerce, management reporting, data processing, strategic and end user support, decision support
58.	The rapid development of microcomputer processing power, application software packages, and telecommunications networks gave birth to the phenomenon of A. manufacturer-to-public direct sales B. MIS departments C. end user computing D. electronic monitoring
59.	Which of the following is a false statement? A. Today's information systems are doing the same basic things that they did over 40 years ago. B. Today there is a much higher level of integration of system functions. C. Today there is greater connectivity across dissimilar system components. D. None of the statements is false.
60.	Companies generally rely on e-business applications to do all of the following <i>except</i> : A. Re-engineer internal business processes B. Implement electronic commerce systems C. Monitor employee productivity D. Promote enterprise collaboration among business teams and workgroups
61.	In an e-business enterprise, an <i>intranet</i> refers to: A. An Internet-like network inside the enterprise B. A network between an enterprise and its trading partners C. A network between the members of a single workgroup D. All the choices are correct.
62.	E-business uses Internet technologies to work and empower A. business processes B. electronic commerce C. collaboration among business teams D. All of the choices are correct.

63.	E-commerce A.involves buying, selling, marketing, and servicing of products, services, and information over a variety of computer networks
	Buses the Internet, intranets, and extranets to support every step of the commercial process, such as . multimedia advertising, product information, and customer support C. involves Internet security and payment mechanisms that ensure completion of delivery and payment processes
	D. All of the choices are correct.
64.	The text classifies information systems as either <i>operations</i> or <i>management support</i> information systems. Which one of the following would <i>not</i> be classified as an operations support system? A. Transaction processing systems B. Process control systems C. Enterprise collaboration systems D. Decision support systems
65.	Electronic commerce systems generally include all of the following <i>except</i> : A. Internet websites for online sales B. Direct links to credit reporting services C. Extranet access of inventory databases D. Intranets that allow sales reps to access customer records
66.	Process control systems monitor and control processes. A. physical B. transactional C. inter-departmental D. mechanical
67.	A nuclear power plant uses electronic sensors linked to computers to continually monitor processes and make instant (real-time) adjustments that control the power generation process. This is an example of a(n)
	A. transaction processing system B. decision support system C. enterprise collaboration system D. process control system
68.	When employees in a project team use email to send and receive messages and use video conferences to hold electronic meetings and coordinate their activities, they are using A. transaction processing systems B. process control systems C. enterprise collaboration systems D. decision support systems
69.	A database of customer purchases that provides end-user managers with interactive and ad hoc decision-making support is referred to as A. a transaction processing system B. a decision support system C. an information reporting system D. an executive information system
70.	A production manager needs a system to help determine how much product to manufacture based on the expected sales associated with a future promotion, plus the location and availability of the raw materials necessary to manufacture the product. What type of system would meet this manager's needs? A. Transaction processing system B. Process control system C. Enterprise collaboration system D. Decision support system

71.	When information system applications focus on providing information and support for effective decision making by managers, they are called support systems. A. decision B. management
	C. collaboration D. process
72.	An information system that supports the business functions of accounting, finance, human resource management, marketing, or operations would be classified as a(n) system. A. functional business B. executive information C. management information D. decision support
73.	Information systems that focus on operational and managerial applications in support of basic business functions, such as accounting or marketing, are known as A. functional business systems B. strategic information systems C. executive information systems D. knowledge management systems
74.	Most information systems are designed to A. produce information and support decision making B. handle record-keeping C. handle transaction processing chores D. All the choices are correct.
75.	Executive information systems (EIS) are tailored to meet the strategic information needs of which of the following management levels? A. Top management (strategic) B. Middle management (tactical) C. Lower management (operational) D. All of the choices are correct.
76.	Business applications of information systems are typically combinations of several types of information systems. This integration is referred to as systems. A. information reporting B. decision support C. cross-functional informational D. end user computing
77.	Success in today's dynamic business environment depends heavily on maximizing the use of Internet-based technologies and Web-enabled information systems to meet the competitive requirements of
	A. customers B. suppliers C. business partners D. All of the choices are correct.
78.	A functional business system supports all of the following types of applications <i>except</i> : A. Accounting B. Customer problem resolution C. Marketing D. Human resource management

79.	Which of the following systems acts as a consultant to users? A. Knowledge B. Integrated information C. Executive information D. Expert
80.	According to the textbook case on responsibility and accountability, even if a project is not an IT project, who is held responsible for optimizing returns on IT-related investments? A. CEO B. CFO C. COO D. CIO
81.	According to the textbook case on responsibility and accountability: A. IT is always 100% responsible for any large project involving information technology. B. IT is never 100% responsible for any large project involving information technology. C. IT is sometimes 100% responsible for any large project involving information technology. D. None of the above is correct.
82.	Developing an information system solution involves all of the following steps <i>except</i> : A. Investigation B. Implementation C. Redesign D. Maintenance
83.	Computer-based information systems are usually conceived, designed, and implemented using some form of systematic development process. The investigation stage includes A. determining the economic or technical feasibility of a proposed application B. acquiring and learning how to use the necessary software C. improving the system D. All of the choices are correct.
84.	Developing information system solutions to business problems in an organization is the responsibility of A. information system specialists B. computer programmers C. systems analysts
85.	D. all information system users within the organization When applying a systematic development process for computer-based information systems, would be part of the analysis phase. A. determining the business requirements of the system B. acquiring and learning how to use the necessary software C. implementing a trial system D. obtaining feedback from end users of the system
86.	According to the text, the steps of developing an information system, in their proper order, are: A. Investigate, analyze, implement, design, maintain B. Investigate, design, analyze, implement, maintain C. Maintain, implement, design, analyze, investigate D. Investigate, analyze, design, implement, maintain
87.	In the lawsuit filed against Hannaford Brothers, which of the following was not alleged as a reason for filing the suit? A. Hannaford has installed inadequate security measures. B. Hannaford did not disclose the security breach to the public quickly enough. C. Hannaford sold the data to spammers. D. All the choices are correct.

88.	The information systems function is equally as important to business success as the function of	
	A. accounting B. operations management C. human resources management D. All the choices are correct.	
89.	 In the information systems concept, the <i>processing</i> function involves: A. Capturing and assembling elements that enter the system to be processed B. Transformation processes that convert input into output C. Transferring elements that have been produced by a transformation process to their ultimate destination D. Monitoring and evaluating feedback to determine whether a system is moving toward the achievement of its goal 	
90.	According to the Real World case about the New York Times, the newspaper industry is in very deep trouble. What has become most important to them? A. Business model innovation B. Internet connectivity C. Technological innovation D. Communication initiatives	
91.	If a system is one of the components of a larger system, it is considered a(n) A. environment B. feedback loop C. subsystem D. interface	
92.	A system that can change itself or its environment in order to survive is system. A. a control B. a self-monitoring C. an environmental D. an adaptive	
93.	Organizations are examples of systems because they interface and interact with other systems in their environment. A. linked B. open C. dependent D. parallel	
94.	The majority of organizations today would be classified as systems. A. open B. closed C. open adaptive D. closed adaptive	
95.	An information system depends on all of the following resources <i>except</i> : A. Hardware B. Software C. People D. Time	
96.	All of the following would be considered a hardware resource <i>except</i> : A. A microcomputer B. A keyboard C. Magnetic and optical disks D. Programs and procedures	

97.	All of the following would be considered a software resource in an information system <i>except</i> : A. A computer operating system B. A word processing software package C. A telecommunication network D. All of the choices are software resources.
98.	In an information system context, which one of the following would be the most applicable description of <i>application software</i> ? A. It controls and supports the operations of a computer B. It consists of programs that direct particular processing activities C. It consists of operating instructions for people who will use an information system D. None of the choices are correct.
99.	In an information system, alphanumeric data normally takes the form of A. numbers and alphabetical characters B. sentences and paragraphs C. graphic shapes and figures D. All of the choices are correct.
100	In an information system, image data normally takes the form of A. numbers and alphabetical characters B. sentences and paragraphs C. graphic shapes and figures D. voice and other sounds
101	All of the following are good examples of information <i>except</i> : A. The social security number of the company's forklift operator B. The retail price of blue widgets C. How much the company owes to vender number 17 D. The numbers 1236789, 349875, and 340977
102	.Telecommunications networks consist of A. computers, the Internet, intranets, and extranets B. communications processors C. devices interconnected by communication media and controlled by communications software D. All of the choices are correct.
103	All of the following normally happens to data during a value-added process <i>except</i> : A. Their useful life is determined B. Their form is aggregated, manipulated, and organized C. Their content is analyzed and evaluated D. They are placed in a proper context for a human user
104	All of the following are considered computer hardware technology <i>except</i> : A. Operating system software B. Microcomputers C. Keyboards D. Printers
105	 .Which of the following is an example of control of an information system's performance? A. A system malfunction wiped out two weeks of student registration records B. Programmers created a user friendly input screen for a new system C. Subtotals do not add up to total sales; IT staff investigates whether data entry or processing is the problem D. An extra \$20 was added to every water bill by mistake

106. The original, formal record of a transaction is called the: A. Updated form B. Paper form C. Transaction document D. Source document
107. The source document is: A. The form of a document after its final update B. A transaction document that refers to the source of the product C. The original, formal record of a transaction D. The first update to any transaction
108.An system is an organized combination of people, hardware, software, telecommunications networks, and data resources that collects, transforms, and disseminates information in an organization.
109. With a strategic information system (SIS), information technology becomes an integral part of business processes, products, and
110 is defined as the use of Internet technologies to work and empower business processes, electronic commerce, and enterprise collaboration within a company and with its customers, suppliers, and other business stakeholders.
111.Enterprise collaboration systems use software tools to support among the members of networked teams and workgroups.
112. During the 1980s and 1990s, information technology helped companies gain a competitive advantage in the global marketplace. This is referred to as the information systems concept.
113.A team uses a corporate intranet and the Internet for electronic mail, videoconferencing, electronic discussion groups, and Web pages of work-in-progress information to collaborate on business projects.
114.Electronic is the buying, selling, marketing, and servicing of products, services, and information over a variety of computer networks.
115. Types of information systems are generally classified as either <i>operations</i> information systems or information systems.
116.Marketing and selling books to consumers over the Internet is an example of commerce.
117.A system that controls the industrial processes of an organization would be classified as a(n) support system.
118.Transaction processing systems process transactions in two basic ways, processing or real-time.

119. When a manager uses an interactive, computer-bamaking, the manager is using a	
120.A system that provides pre-specified reports for the system.	ne managers of an organization would be classified as a
121.Enterprise collaboration systems enhance team an include applications that are sometimes called off	
122.The goal of knowledge management systems (KN important business knowledge	(IS) is to help knowledge workers create, organize, and wherever and whenever it is needed.
123. The success of an information system should be n	neasured by both its efficiency and its
124. The design of an information system application i requirements of an organization.	s based on an of the business
	information technology might be considered improper, ety. This dimension of the use of information technology responsibility.
126.A manufacturing system accepts raw materials as information system accepts data as input and proc	
127.A system with feedback and fu	unctions is sometimes called a cybernetic system.
128.The component in a cybernetic system.	e system refers to the data about the performance of the
129 is data about the performance	of a system.
130 involves monitoring and evalue moving toward the achievement of its goal.	ating feedback to determine whether a system is
131.People, hardware, software,, and net systems.	works are the five basic resources of information
132.Information processing consists of the system action and control.	ivities of input, processing, output,,
133.In the context of the information system model, so instructions called, which dire	

		are the operating instructions for xamples are instructions for filling out a paper form or
	Information in various forms is transmitted to end activity.	users and made available to them in the
136.	A document is the original, for	rmal record of a transaction.
	is the information systems action organized manner for later use.	ivity in which data and information are retained in an
	In an information system, thea evaluates feedback in order to determine whether goal.	activity would be considered the component that the system is moving toward the achievement of its

ch01 Key

- 1. (p. 4) FALSE
- 2. (p. 4) TRUE
- 3. (p. 18) TRUE
- 4. (p. 4) TRUE
- 5. (p. 4) TRUE
- 6. (p. 7) FALSE
- 7. (p. 7) TRUE
- 8. (p. 9) TRUE
- 9. (p. 8) TRUE
- 10. (p. 8) FALSE
- 11. (p. 10) TRUE
- 12. (p. 11) TRUE
- 13. (p. 12) FALSE
- 14. (p. 13) FALSE
- 15. (p. 14) FALSE
- 16. (p. 14) TRUE
- 17. (p. 14) TRUE
- 18. (p. 15) TRUE
- 19. (p. 15) FALSE
- 20. (p. 15) TRUE
- 21. (p. 17) TRUE
- 22. (p. 20) FALSE
- 23. (p. 23) TRUE
- 24. (p. 23-24) FALSE
- 25. (p. 26) TRUE
- 26. (p. 26) FALSE
- 27. (p. 29) TRUE
- 28. (p. 29) TRUE
- 29. (p. 29) TRUE
- 30. (p. 29) FALSE
- 31. (p. 31) TRUE
- 32. (p. 32) TRUE
- 33. (p. 32) TRUE
- 34. (p. 32-33) FALSE
- 35. (p. 33) FALSE
- 36. (p. 33) FALSE

- 37. (p. 34) FALSE
- 38. (p. 34) TRUE
- 39. (p. 34) TRUE
- 40. (p. 35) FALSE
- 41. (p. 35) TRUE
- 42. (p. 35) TRUE
- 43. (p. 35) FALSE
- 44. (p. 4) D
- 45. (p. 4) A
- 46. (p. 5) D
- 47. (p. 5) B
- 48. (p. 6) C
- 49. (p. 6) B
- 50. (p. 6) D
- 51. (p. 7) C
- 52. (p. 8) A
- 53. (p. 8) D
- 54. (p. 8) C
- 55. (p. 9) C
- 56. (p. 9) D
- 57. (p. 10) C
- 58. (p. 10) C
- 59. (p. 11) D
- 60. (p. 12) C
- 61. (p. 12) A
- 62. (p. 12) D
- 63. (p. 13) D
- 64. (p. 13) D
- 65. (p. 13) B
- 66. (p. 14) A
- 67. (p. 14) D
- 68. (p. 14) C
- 69. (p. 15) B
- 70. (p. 15) D
- 71. (p. 15) B
- 72. (p. 16) A
- 73. (p. 16) A
- 74. (p. 15) D

75. (p. 15) A 76. (p. 15) C 77. (p. 16) D 78. (p. 16) B 79. (p. 16) D 80. (p. 17-18) D 81. (p. 17-18) B 82. (p. 18) C 83. (p. 18) A 84. (p. 18) D 85. (p. 18) A 86. (p. 19) D 87. (p. 20-21) C 88. (p. 24) D 89. (p. 26) B 90. (p. 27) A 91. (p. 29) C 92. (p. 29) D 93. (p. 29) B 94. (p. 29) C 95. (p. 30) D 96. (p. 31) D 97. (p. 31) C 98. (p. 33) B 99. (p. 33) A 100. (p. 33) C 101. (p. 34) D 102. (p. 34) D 103. (p. 34) A 104. (p. 32-33) A 105. (p. 36) C 106. (p. 35) D 107. (p. 35) C 108. (p. 4) information 109. (p. 11) services 110. (p. 12) E-business 111. (p. 12) communication, coordination, or collaboration 112. (p. 11) strategic

- 113. (p. 13) virtual
- 114. (p. 13) commerce
- 115. (p. 13) management
- 116. (p. 13) electronic or Internet or "E-"
- 117. (p. 13) operations
- 118. (p. 14) batch
- 119. (p. 15) decision
- 120. (p. 15) management
- 121. (p. 14) automation
- 122. (p. 15) share
- 123. (p. 17) effectiveness
- 124. (p. 18) analysis
- 125. (p. 20) ethical
- 126. (p. 26) information
- 127. (p. 29) control
- 128. (p. 29) feedback
- 129. (p. 29) Feedback
- 130. (p. 29) Control
- 131. (p. 31) data
- 132. (p. 32) storage
- 133. (p. 33) programs
- 134. (p. 33) procedures
- 135. (p. 35) output
- 136. (p. 35) source
- 137. (p. 36) Storage
- 138. (p. 36) control

ch01 Summary

<u>Category</u>	# of Question
AACSB: Technology	138
Blooms: Remember	138
Difficulty: 1 Easy	34
Difficulty: 2 Medium	74
Difficulty: 3 Hard	30
Learning Objective: 01-01 Understand the concept of a system and how it relates to information systems.	18
Learning Objective: 01- 02 Explain why knowledge of information systems is important for business professionals; and identify five areas of information s ystems knowledge that they need.	6
Learning Objective: 01- 03 Give examples to illustrate how the business applications of information systems can support a firms business processes; manag erial decision making; and strategies for competitive advantage.	47
Learning Objective: 01- 04 Provide examples of several major types of information systems from your experiences with business organizations in the real world.	5
Learning Objective: 01- 05 Identify several challenges that a business manager might face in managing the successful and ethical development and use of i nformation technology in a business.	10
Learning Objective: 01- 06 Provide examples of the components of real world information systems. Illustrate that in an information system; people use har dware; software; data; and networks as resources to perform input; processing; output; storage; and control activities that transform data resources into information products.	49
Learning Objective: 01-07 Demonstrate familiarity with the myriad of career opportunities in information systems.	3
Marakas - Chapter 01	138