Chapter 1

### Introduction to Business Processes

# Multiple Choice Questions

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| 1. | Which term refers to business processes that are not executed by a single group or function?   1. Silo Effect 2. Cross-Functional 3. Functional Structure 4. Enterprise Systems 5. Organizational Structure   **Answer**: b **Difficulty**: Easy **Page Reference:**  1  **Section:** The Functional Organizational Structure **Practice:** |
| 2. | Which term refers to a system in which workers complete their tasks in separate departments without regard to the consequences for the other components of the process?  1. ERP Effect 2. Cross-Functional 3. Functional Structure 4. Enterprise Systems 5. Silo Effect   **Answer**: e **Difficulty**: Easy **Page Reference:**  2  **Section:** The Functional Organizational Structure: The Silo Effect **Practice:** |
| 3. | Which system supports business processes end to end?   1. Management System 2. Accounting System 3. Enterprise System 4. Functional Structure 5. Document System   **Answer**: c **Difficulty**: Medium **Page Reference:**  2  **Section:** The Functional Organizational Structure: The Silo Effect **Practice:** Yes |
|  | 4. Which of the following statements about business processes is true?   1. They are executed across multiple functions. 2. They are initiated by some type of trigger. 3. They involve multiple steps. 4. All of the above 5. None of the above   **Answer:** d **Difficulty:** Medium **Page Reference:** 4  **Section:** Business Processes |
| 5. | Which term represents a set of tasks or activities that produce desired outcomes?   1. Business Process 2. Trigger 3. Outcome 4. Enterprise Resource Planning 5. None of the above   **Answer**: a **Difficulty**: Easy **Page Reference:**  4  **Section:** Business Processes **Practice:** |
| 6. | Which term refers to all of the activities involved in buying or acquiring the materials used by the organization, such as raw materials needed to make products?   1. Material Planning 2. Procurement Process 3. Production Process 4. Fulfillment Process 5. Lifecycle Data Management   **Answer**: b **Difficulty**: Medium **Page Reference:**  5  **Section:** Business Processes **Practice:** Yes |
| 7. | Which process involves the actual creation of the products?   1. Material Planning 2. Procurement Process 3. Production Process 4. Fulfillment Process 5. Lifecycle Data Management   **Answer**: c **Difficulty**: Medium **Page Reference:**  5  **Section:** Business Processes **Practice:** |
| 8. | Which process uses historical data and sales forecasts to plan which materials will be procured and produced?   1. Material Planning 2. Procurement Process 3. Production Process 4. Fulfillment Process 5. Lifecycle Data Management   **Answer**: a **Difficulty**: Medium **Page Reference**: 5  **Section:** Business Processes **Practice:** Yes |
| 9. | Which process supports the design and development of products from the initial product idea stage through the discontinuation of the product?   1. Material Planning 2. Procurement Process 3. Production Process 4. Fulfillment Process 5. Lifecycle Data Management   **Answer**: e **Difficulty**: Medium **Page Reference**: 5  **Section:** Business Processes **Practice:** |
| 10. | Which process tracks the financial impact of process steps with the goal of meeting legal reporting requirements?   1. Human Capital Management (HCM) 2. Project Management 3. Financial Accounting 4. Management Accounting or Controlling (CO) 5. None of the above   **Answer**: c **Difficulty**: Medium **Page Reference**: 6  **Section:** Business Processes **Practice:** |
| 11. | Which process is used to plan and execute large projects such as the construction of a new factory or the production of complex products such as airplanes?   1. Human Capital Management (HCM) 2. Project Management 3. Financial Accounting 4. Management Accounting or Controlling (CO) 5. None of the above   **Answer**: b **Difficulty**: Medium **Page Reference**: 6  **Section:** Business Processes **Practice:** |
| 12. | Which process focuses on people within an organization and includes functions such as recruiting, hiring, training, and benefits management?   1. Human Capital Management (HCM) 2. Project Management 3. Financial Accounting 4. Management Accounting or Controlling (CO) 5. None of the above   **Answer**: a **Difficulty**: Difficult **Page Reference**: 6  **Section:** Business Processes **Practice:** |
| 13. | What is the final step of the procurement process?   1. Invoice 2. Purchase Requisition 3. Purchase Order 4. Payment 5. None of the above   **Answer**: d **Difficulty**: Easy **Page Reference**: 6  **Section:** Business Processes: Procurement-Buy **Practice:** |
| 14. | What steps are involved in the accounting portion of the procurement process?   1. Receiving the materials and the invoice 2. Creating the purchase requisition and sending payment 3. Creating and sending the purchase order 4. Creating the purchase requisition and receiving the materials 5. Receiving the invoice and sending payment   **Answer**: e **Difficulty**: Difficult **Page Reference**: 7  **Section:** Business Processes: Procurement-Buy **Practice:** Yes |
| 15. | What is the first step of the production process?   1. Authorize Production 2. Request Production 3. Create Product 4. Receive Finished Goods 5. Issue Raw Materials   **Answer**: b **Difficulty**: Easy **Page Reference**: 7  **Section:** Business Processes: Procurement-Make **Practice:** Yes |
| 16. | What function does the warehouse perform in the fulfillment process?   1. Prepares and sends the shipment to the customer 2. Communicates data related to the order to other parts of the organization 3. Tracks the order 4. Notifies the customer 5. None of the above   **Answer**: a **Difficulty**: Easy **Page Reference**: 8  **Section:** Business Processes: Procurement-Make **Practice:** Yes |
| 17. | \_\_\_\_\_\_\_\_\_\_\_ is concerned with matching the demand for materials in the organization with the supply.   1. Business Planning 2. The Silo Effect 3. Project Management 4. Material Planning 5. None of the above   **Answer**: d **Difficulty**: Medium **Page Reference**: 8  **Section:** Business Processes: Material Planning-Plan **Practice:** |
| 18. | Which of the following is concerned with the storage and movementof materials?   1. Business Planning 2. Silo Effect 3. Project Management 4. Material Planning 5. Inventory and warehouse management (IWM)   Answer: e Difficulty: Medium Page Reference: 9  **Section:** Business Processes: Inventory and Warehouse Management-Store  **Practice:** |
| 19. | \_\_\_\_\_\_\_\_\_\_\_\_\_enables an organization to optimize its product development process, from design to market, while ensuring that it complies with industry, quality, and regulatory  standards?   1. Business Planning 2. Lifecycle Data Management 3. Project Management 4. Material Planning 5. None of the above   Answer: b Difficulty: Medium Page Reference: 10  **Section:** Business Processes: Lifecycle Data Management-Design **Practice:** |
| 20. | \_\_\_\_\_\_\_\_\_\_\_\_\_ provides tools to manage and store documents securely and to keep track of the multiple versions of these documents?   1. Document Management 2. Enterprise Management 3. Project Management 4. Material Planning 5. None of the above   Answer: a Difficulty: Medium Page Reference: 10  **Section:** Business Processes: Lifecycle Data Management-Design **Practice:** |
| 21. | How does GBI Global sell its merchandise?   1. Directly to customers 2. Via a network of specialized dealers 3. Via the Internet 4. All of the above 5. None of the above   Answer: b Difficulty: Medium Page Reference: 13  **Section:** Global Bicycle Incorporated (GBI) **Practice:** Yes |
| 22. | Which of the following statements about SAP R/3 is true?   1. It supports a single function or department 2. It is an end-to-end enterprise system 3. Sharing data between departments is problematic 4. None of the above   Answer: b Difficulty: Medium Page Reference: 15  **Section:** How to use this book: SAP Software and Certification **Practice:** Yes |