***Essentials of MIS, 15e* (Laudon/Laudon/Traver)**

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

1) As discussed in the chapter-opening case, AWM Smart Shelf can help brands and retailers achieve which of the following?

A) Increased customer intimacy

B) Survival

C) Improved employee morale

D) Development of new products

E) Increased supplier intimacy

Answer: A

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 1-1: Understand why information systems are essential for running and managing a business.

2) Journalist Thomas Friedman's description of the world as "flat" refers to the:

A) reduction of economic and cultural advantages of developed countries.

B) use of social media for instantaneous communication.

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

D) flattened hierarchies in digital firms.

E) increased use of global currencies.

Answer: A

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 1-1: Understand why information systems are essential for running and managing a business.

3) All of the following are important business objectives of information system investment *except*:

A) competitive advantage.

B) improved employee morale.

C) improved decision making.

D) survival.

E) ESG leadership.

Answer: B

Difficulty: Easy

AACSB: Application of Knowledge; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

4) A firm that invests in an information system because it is a necessity of doing business does so because it is seeking to achieve which of the following business objectives?

A) Survival

B) Improved decision making

C) Competitive advantage

D) Operational excellence

E) Customer intimacy

Answer: A

Difficulty: Easy

AACSB: Analytical Thinking; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

5) Walmart exemplifies the power of information systems coupled with sophisticated business practices and supportive management to achieve which of the following?

A) New business models

B) Operational efficiency

C) Customer intimacy

D) Competitive advantage

E) Survival

Answer: B

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

6) Coca-Cola Bottling Company Consolidated uses a digital dashboard to provide managers with metrics that consolidate data from hundreds of disparate sources in order to:

A) pursue ESG leadership.

B) improve decision making.

C) gain competitive advantage.

D) create supplier intimacy.

E) create a new business model.

Answer: B

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

7) Which business objective were competitors seeking when they rushed to provide ATMs after Citibank introduced the first ATMs in New York?

A) Operational excellence

B) Customer intimacy

C) Survival

D) Competitive advantage

E) Improved decision making

Answer: C

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

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

A) significant decreases in operating costs.

B) significant dislocations in labor markets.

C) increased ability to find low-cost suppliers.

D) increases in transaction costs.

E) ability to reliably obtain price and quality information worldwide.

Answer: D

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 1-1: Understand why information systems are essential for running and managing a business.

9) A firm that must invest in a new information system in order to comply with federal legislation is doing so to achieve which of the following business objectives?

A) Customer intimacy

B) Operational excellence

C) New products

D) Improved decision making

E) Survival

Answer: E

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

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

A) Apple's creation of iTunes

B) TAL Apparel's information system that helps its clients manage their supply chains

C) The Ritz-Carlton hotel chain's use of computers to keep track of guests' preferences

D) Coca-Cola Bottling Company Consolidated's digital dashboard that provides managers with metrics that consolidate data from hundreds of disparate sources

E) Walmart's Retail Link system

Answer: A

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

11) An example of a business using information systems for supplier intimacy is:

A) Apple's creation of iTunes.

B) TAL Apparel's information system that helps its clients manage their supply chains.

C) Citibank's ATM system.

D) Coca-Cola Bottling Company Consolidated's digital dashboard that provides managers with metrics that consolidate data from hundreds of disparate sources.

E) The Ritz-Carlton hotel chain's use of computers to keep track of guests' preferences.

Answer: B

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

12) To make sure it stocks products that its customers will purchase, an apparel retailer implements a new application that analyzes consumer spending at its physical store locations and cross-references this data to determine inventory levels of various products for each location. Which of the following business objectives is this information intended to support?

A) New products

B) Survival

C) Customer intimacy

D) Supplier intimacy

E) New services

Answer: C

Difficulty: Challenging

AACSB: Analytical Thinking; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

13) A company that implements a cloud-based supply chain system that enables its suppliers to track, report, and reduce their carbon impact is seeking to achieve which of the following business objectives?

A) Improved decision making

B) Competitive advantage

C) Creation of new products

D) ESG leadership

E) Survival

Answer: D

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

14) Which of the following is one of the management and people changes posing a major management challenge in the business use of information systems?

A) The Internet of Things

B) Big Data

C) The mobile platform

D) Cloud computing

E) Online collaboration and social networking

Answer: E

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

15) Digital advertising is expected to reach $\_\_\_\_\_\_\_\_ billion in 2022, with more than \_\_\_\_\_\_\_\_ of this spending for mobile advertising.

A) $25 million; three-quarters

B) $250 million; two-thirds

C) $2.5 billion; one-quarter

D) $25 billion; one-half

E) $250 billion; two-thirds

Answer: E

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 1-1: Understand why information systems are essential for running and managing a business.

16) As discussed in the chapter-opening case, AWM's Smart Shelf uses all of the following technologies *except*:

A) the mobile platform.

B) content management software solutions.

C) proximity sensors.

D) social networks.

E) LED digital displays.

Answer: D

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-1: Understand why information systems are essential for running and managing a business.

17) All of the following are technology-related challenges in MIS *except*:

A) cloud computing.

B) Big Data.

C) IoT.

D) the mobile platform.

E) co-creation of business value.

Answer: E

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 1-1: Understand why information systems are essential for running and managing a business.

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

A) A growing percentage of the economy in the United States depends on imports and exports.

B) Manufacturing is now a much smaller part of US employment than it once was.

C) Outsourcing has decreased the development of new information systems.

D) In 2021, job openings in information systems and technologies exceeded the supply of applicants.

E) From 2020 to 2030, employment in the United States is expected to grow by almost 12 million new jobs.

Answer: C

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 1-1: Understand why information systems are essential for running and managing a business.

19) In 2021, approximately how many people in the United States bought something online?

A) 150 million

B) 180 million

C) 190 million

D) 210 million

E) 230 million

Answer: D

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 1-1: Understand why information systems are essential for running and managing a business.

20) What percent of the *Fortune 500* companies uses a social network to communicate with their customers?

A) 47 percent

B) 57 percent

C) 67 percent

D) 87 percent

E) 97 percent

Answer: E

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 1-1: Understand why information systems are essential for running and managing a business.

21) More than 90 percent of Internet users access the web with mobile devices.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

LO: 1-1: Understand why information systems are essential for running and managing a business.

22) Information systems are central in enabling companies to achieve ESG goals.

Answer: TRUE

Difficulty: Easy

AACSB: Application of Knowledge

LO: 1-1: Understand why information systems are essential for running and managing a business.

23) Firms typically have little understanding of how much benefit they receive from investments in information systems and services.

Answer: TRUE

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-1: Understand why information systems are essential for running and managing a business.

24) Define operational excellence. How have information systems helped Walmart achieve it?

Answer: Operational excellence involves the achievement of higher levels of productivity and efficiency in business operations. Walmart, the largest retailer on earth, exemplifies the power of information systems coupled with sophisticated business practices and supportive management to achieve operational excellence. Information systems such as Walmart's Retail Link and Global Replenishment System, which digitally links its suppliers to every one of Walmart's stores, have helped Walmart achieve operational excellence by improving communications with suppliers and optimizing its supply chain. As soon as a customer purchases an item, the supplier monitoring the item knows to ship a replacement to the shelf.

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology; Written and Oral Communication

LO: 1-1: Understand why information systems are essential for running and managing a business.

25) How could an auto dealer use information systems to achieve greater customer intimacy?

Answer: When a business really knows its customers and serves them well (customer intimacy), the customers generally respond by returning and purchasing more. This raises revenues and profits. The car dealer could create an automated email service reminding car owners to bring their car in for periodic check-ups. The car dealer could create an information system that tracks customer preferences in its local area, so that it can offer cars that reflect local customer needs and desires. The car dealer could also create a website that allows customers to order customized cars and communicate with dealership support personnel.

Difficulty: Challenging

AACSB: Application of Knowledge; Information Technology; Written and Oral Communication

LO: 1-1: Understand why information systems are essential for running and managing a business.

26) Which of the following is the best definition of an information system?

A) A set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision making and control in an organization

B) Computers, keyboards, printers, and telecommunications devices

C) A set of detailed programmed instructions that transform raw data into information

D) Physical devices and software that can be connected to share voice, data, images, sound, and video

E) A global network that uses universal standards

Answer: A

Difficulty: Moderate

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

27) The three activities in an information system that produce information are:

A) data, research, and analysis.

B) input, output, and feedback.

C) input, processing, and output.

D) data analysis, processing, and feedback.

E) data, input, and feedback.

Answer: C

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

28) The average number of airline tickets sold at a particular price is an example of:

A) input.

B) raw data.

C) meaningful information.

D) output.

E) feedback.

Answer: C

Difficulty: Easy

AACSB: Analytical Thinking

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

29) 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) transforms raw data into processed information.

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

E) is a stream of raw facts representing events occurring in organizations or the physical environment.

Answer: D

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

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

A) capturing.

B) processing.

C) organizing.

D) feedback.

E) inputting.

Answer: B

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

31) Which of the following is an example of raw data from an automobile manufacturer?

A) An average of 130 Subarus sold daily in New York in 2023

B) 1,300 Subaru Outbacks sold during the first quarter 2023 in New York

C) One Subaru Outback sold January 7, 2023 in Mount Kisco, New York for $25,000

D) Annual sales of Subaru Outbacks increased 4.5 percent

E) An average sale price of $26,000 for all Subaru Outbacks sold during January 2023 in Mount Kisco, New York

Answer: C

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

32) Which of the following 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?

A) Information systems literacy

B) Information systems architecture

C) Management information systems

D) Information technology infrastructure

E) Computer information systems

Answer: C

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

33) All of the following are examples of environmental actors in an information system *except*:

A) suppliers.

B) stockholders.

C) employees.

D) competitors.

E) regulatory agencies.

Answer: C

Difficulty: Easy

AACSB: Application of Knowledge

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

34) In a hierarchical organization, the lower levels consist of:

A) technical workers.

B) operational workers.

C) managerial workers.

D) professional.

E) knowledge workers.

Answer: B

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

35) Which of the following statements best describes organizational culture?

A) It encompasses the sum of beliefs and assumptions by all members.

B) It enables the organization to transcend the different levels and specialties of its employees.

C) It reflects the senior management's perspective on the organization and goals.

D) It allows a company to achieve greater operational efficiency.

E) It is a fundamental set of assumptions, values, and ways of doing things that has been accepted by most members of the organization.

Answer: E

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

36) 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.

E) setting strategy for responding to business challenges in the environment.

Answer: C

Difficulty: Moderate

AACSB: Analytical Thinking

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

37) Data management technology consists of the:

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

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

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

D) hardware and software used to transfer data.

E) universally accepted standards for storing data.

Answer: C

Difficulty: Moderate

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

38) 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 an internal corporate network.

E) provide the platform on which a firm builds its information systems.

Answer: D

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

39) As described in the Spotlight on Technology case, which of the following constitutes an organizational element in the UPS tracking system?

A) The specification of procedures for identifying packages with sender and recipient information

B) The monitoring service levels and costs by management

C) Promoting the company strategy of low-cost, superior service

D) The use of handheld computers and networks for managing package delivery

E) Routing software that creates the most efficient delivery route for each driver

Answer: A

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

40) As described in the Spotlight on Technology case, which of the following constitutes a people element of the UPS tracking system?

A) The DIAD device used by drivers

B) The ability to provide package status reports to customers

C) The decision to use automation

D) The implementation of in-house package tracking software

E) The ability to embed UPS functions in external sites

Answer: C

Difficulty: Challenging

AACSB: Analytical Thinking; Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

41) Which of the following statements about the Internet of Things (IoT) is *not* true?

A) IoT devices can range from ordinary household objects to sophisticated industrial tools.

B) IoT involves a network of physical objects for the purpose of connecting and exchanging data with other devices and systems over the Internet.

C) Traditional retailers are beginning to use IoT.

D) Connected IoT devices are not an important source of Big Data.

E) Certain types of IoT devices have enough intelligence to make simple decisions and remember particular patterns and routines to be carried out without any human involvement.

Answer: D

Difficulty: Easy

AACSB: Analytical Thinking; Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

42) Which of the following is the basis for organizational politics?

A) Culture

B) Conflict

C) Technology

D) Business processes

E) Organizational hierarchy

Answer: B

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

43) Which of the following is a global network that uses universal standards to connect millions of different networks around the world?

A) An extranet

B) The World Wide Web

C) The Internet

D) An intranet

E) AT&T

Answer: C

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

44) \_\_\_\_\_\_\_\_ consists of detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.

A) Computer software

B) Programming

C) Enterprise applications

D) Business intelligence

E) Data management technology

Answer: A

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

45) Which of the following 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) Email

C) The World Wide Web

D) HTML

E) An extranet

Answer: C

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

46) Information systems contain information about significant people, places, and things within the organization or in the environment surrounding it.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

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

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

48) Computer literacy focuses primarily on knowledge of information systems.

Answer: FALSE

Difficulty: Moderate

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

49) People, organizations, and information technology are all dimensions of information systems.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

50) The history and culture of business firms affects how it uses information technology.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

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

Answer: TRUE

Difficulty: Easy

AACSB: Application of Knowledge

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

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

Answer: FALSE

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

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

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

54) The Internet can only be used to connect a firm's computers to networks external to the firm.

Answer: FALSE

Difficulty: Moderate

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

55) Information systems literacy is solely a technical approach to studying information systems.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

56) Cloud computing has enabled organizations to create more robust IT infrastructures for managing and analyzing Big Data.

Answer: TRUE

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

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

Answer: FALSE

Difficulty: Easy

AACSB: Application of Knowledge

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

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

Answer: TRUE

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

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

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

60) 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: Decision making is an important managerial function that is impaired by not having access to timely and accurate information. 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. The potential poor outcomes can raise costs, and the company can lose customers.

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology; Written and Oral Communication

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

61) 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 the people who are involved in an organization. An organization and its information systems are worthless without skilled people to build and maintain them or who understand how to use the information in a system to achieve business objectives. 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, people are expensive to hire, manage, and train, whereas technology and hardware can be relatively inexpensive.

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology; Written and Oral Communication

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

62) Give an example of data that a regional movie theater chain could use to create 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 might include average number of tickets sold to children on certain days of the week.

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology; Written and Oral Communication

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

63) Define a 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, patient intake, and filing medical records are examples of business processes at a hospital.

Difficulty: Moderate

AACSB: Analytical Thinking; Written and Oral Communication

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

64) What is the difference between information technology and information systems?

Answer: Information technology (IT) consists of all the hardware and software that a firm needs to use to achieve its business objectives. Information systems are more complex. An information system can be defined technically as a set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision making and control in an organization. An information system has people and organizational components as well as technology.

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology; Written and Oral Communication

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

65) This chapter discusses how each organization has its own culture and sets of values shared by most of its members. What kind of shared values might you find at a law firm?

Answer: Shared values at a law firm might be: The legal system works, the legal system is fair, lawyers help people, and people need help with the legal system because it is complicated.

Difficulty: Moderate

AACSB: Analytical Thinking; Written and Oral Communication

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

66) Why is the building of a house an appropriate analogy for the building of an information system?

Answer: Houses are built with hammers, nails, and wood, but these alone do not make a house. The architecture, design, setting, landscaping, and all of the decisions that lead to the creation of these features are part of the house and are crucial for solving the problem of putting a roof over one's head. Computers and programs are the hammer, nails, and lumber of computer-based information systems, but alone they cannot produce the information a particular organization needs. To understand information systems, you must understand the problems they are designed to solve, their architectural and design elements, and the organizational processes that lead to these solutions.

Difficulty: Challenging

AACSB: Analytical Thinking; Information Technology; Written and Oral Communication

LO: 1-2: Define an information system, explain how it works, and identify its people, organizational, and technology components.

67) A database into which employees manually input customer names and addresses is riddled with errors and you have been charged with rectifying the situation. In considering the organizational dimensions of this problem, you should consider the:

A) skill levels of the employees inputting the data.

B) training given to the employees inputting the data.

C) business processes in place governing the manual input of the data.

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

E) storage capacity of the database.

Answer: C

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

68) The first step in the model of the problem-solving process discussed in the chapter is:

A) interviewing the people involved in the problem.

B) identifying the problem.

C) outlining the problem's causes.

D) assigning the problem to a problem solver.

E) evaluating possible solutions to the problem.

Answer: B

Difficulty: Easy

AACSB: Application of Knowledge

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

69) Outdated software is an example of the \_\_\_\_\_\_\_\_ dimension of business problems.

A) technology

B) organizational

C) people

D) management

E) cultural

Answer: A

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

70) Work environment is an example of the \_\_\_\_\_\_\_\_ dimension of business problems.

A) management

B) organizational

C) people

D) technology

E) cultural

Answer: C

Difficulty: Moderate

AACSB: Analytical Thinking

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

71) Which of the following is *not* an element of critical thinking?

A) Following a rote pattern of decision making

B) Maintaining doubt and suspending judgment

C) Being aware of different perspectives

D) Testing alternatives and letting experience guide

E) Being aware of organizational and personal limitations

Answer: A

Difficulty: Challenging

AACSB: Application of Knowledge; Analytical Thinking

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

72) Inadequate resources are an example of the \_\_\_\_\_\_\_\_ dimension of business problems.

A) management

B) organizational

C) people

D) infrastructure

E) cultural

Answer: B

Difficulty: Moderate

AACSB: Analytical Thinking

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

73) The owners of Artful Graphics, which creates graphics for local business owners, has just discovered that the updated cloud-based version of the graphics program that Artful Graphics' uses requires the Windows 11 operating system, but some of Artful Graphics' computers cannot run Windows 11. This is a business problem that falls into the:

A) management dimension.

B) people dimension.

C) organizational dimension.

D) technology dimension.

E) cultural dimension.

Answer: D

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

74) La Creperie, a traditional French crepe restaurant, is having difficulty implementing a new automated crepe batter measurement system because its chefs prefer to use traditional methods. This is a business problem that falls into the:

A) management dimension.

B) people dimension.

C) organizational dimension.

D) technical dimension.

E) cultural dimension.

Answer: B

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

75) In choosing the best solution for a business problem, all of the following are important considerations *except*:

A) the cost of the solution.

B) the feasibility of the solution given existing resources and skills.

C) the length of time to implement the solution.

D) the attitudes of employees.

E) the ability to forget about the problem once it has been solved.

Answer: E

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

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

A) outcome.

B) implementation.

C) change management.

D) feedback.

E) employee retraining.

Answer: B

Difficulty: Easy

AACSB: Application of Knowledge

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

77) 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

E) Determining the attitude of employees about the solution

Answer: D

Difficulty: Moderate

AACSB: Analytical Thinking

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

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

A) importance of training employees on new business processes.

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

C) continuous nature of problem solving.

D) need to quickly adapt to new technological innovations.

E) importance of organizational change in problem solving.

Answer: C

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

79) Perhaps the most frequent error in problem solving is:

A) rushing to judgment about the nature of a problem.

B) not being aware of personal limitations.

C) being too doubtful.

D) following a rote pattern of decision making.

E) failing to consider all dimensions of a problem.

Answer: A

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

80) You are a manager at a package delivery service in a major metropolitan area that has been losing customers for several years. You have been asked to find a solution to this problem. 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.

E) Identify relevant information technologies, interview employees, choose a technology, and implement the technology.

Answer: C

Difficulty: Moderate

AACSB: Analytical Thinking; Application of Knowledge; Information Technology

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

81) Which are the three major dimensions of business problem solving?

A) Organizational dimensions, people dimensions, and technology dimensions

B) Organizational dimensions, people dimensions, and environmental dimensions

C) People dimensions, technology dimensions, and environmental dimensions

D) Technology dimensions, organizational dimensions, and environmental dimensions

E) Organizational dimensions, technology dimensions, and cultural dimensions

Answer: A

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

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

Answer: TRUE

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

83) An unsupportive culture is an example of the people dimension of business problems.

Answer: FALSE

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

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

Answer: TRUE

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

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

Answer: The four steps are problem identification, solution design, solution evaluation and choice, and implementation. In the problem identification step, relevant people in an organization must agree that a problem exists, 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 solution evaluation and 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.

Difficulty: Moderate

AACSB: Analytical Thinking; Written and Oral Communication

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

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

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

(2) Technology: This may include insufficient or aging hardware, outdated software, inadequate database capacity, insufficient network capacity, incompatibility of old systems with new technology, and rapid technological change and failure to adopt new technologies.

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

Difficulty: Moderate

AACSB: Analytical Thinking; Written and Oral Communication

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

87) The retail 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 or 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

Difficulty: Challenging

AACSB: Analytical Thinking; Interpersonal Relations and Teamwork; Written and Oral Communication

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

88) How does critical thinking relate to the problem-solving process?

Answer: Simply following a rote pattern of decision making, or a model, does not guarantee a correct solution. The best protection against incorrect results is to engage in critical thinking throughout the problem-solving process.

Perhaps the most frequent error in problem solving is to arrive prematurely at a judgment about the nature of the problem. By doubting all solutions at first and refusing to rush to a judgment, you create the necessary mental conditions to take a fresh, creative look at problems and you keep open the chance to make a creative contribution.

Second, it is important to recognize that all interesting business problems have many dimensions and that the same problem can be viewed from different perspectives such as the technology perspective, the organization perspective, and the people perspective.

The third element of critical thinking involves testing alternatives, or modeling solutions to problems, and letting experience be the guide. Not all contingencies can be known in advance and much can be learned through experience. Therefore, it is important to experiment, gather data, and reassess the problem periodically.

Difficulty: Challenging

AACSB: Application of Knowledge; Analytical Thinking; Written and Oral Communication

LO: 1-3: Apply a four-step method for business problem solving to solve information system-related problems.

89) Which of the following is an important skill for an accounting major?

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

E) An understanding of enterprise systems for customer relationship management

Answer: A

Difficulty: Moderate

AACSB: Information Technology

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

90) Which of the following is an important skill for a marketing major?

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

E) An understanding of financial reporting systems

Answer: B

Difficulty: Moderate

AACSB: Information Technology

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

91) Which of the following is the largest single group in the US labor force?

A) Accountants and auditors

B) Management

C) Finance

D) Marketing

E) Information systems professionals

Answer: B

Difficulty: Easy

AACSB: Application of Knowledge

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

92) 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

E) knowledge workers

Answer: B

Difficulty: Moderate

AACSB: Information Technology

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

93) 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 related to customer relationship management systems.

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

C) Innovative new products, services, and systems are rarely outsourced.

D) Software outsourcing of routine IS work to low-wage countries increases the cost of building and maintaining systems in the United States.

E) Management and organizational tasks required in systems development usually are not outsourced.

Answer: D

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

94) Management is the largest single group in the US labor force.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

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

Answer: FALSE

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

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

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

97) Whereas marketing and financial careers have been transformed by the growth in information systems, thus far managerial positions have remained relatively unaffected.

Answer: FALSE

Difficulty: Moderate

AACSB: Information Technology

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

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

Answer: FALSE

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

99) 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) An in-depth knowledge of how business firms can use new and emerging hardware and software tools to make them more efficient and effective, enhance customer and supplier intimacy, improve decision making, achieve competitive advantage, and ensure firm survival. This includes an understanding of artificial intelligence, cloud computing, business analytics, business intelligence, databases, system implementation, and mobile application development and (2) An ability to take a leadership role in the design and implementation of new information systems, work with other business professionals to ensure systems meet business objectives, and work with cloud computing services and software firms providing new system solutions.

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology; Written and Oral Communication

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.

100) What types of jobs are *not* likely to be outsourced and why?

Answer: Jobs involved with the creation of innovative new products, services, and systems are rarely outsourced either domestically or globally. The advantage of low-wage countries is their low wages and ready availability of technical talent, not their keen sense of new products, services, and technologies for other countries' markets.

Difficulty: Challenging

AACSB: Application of Knowledge; Written and Oral Communication

LO: 1-4: Describe the information systems skills and knowledge that are essential for business careers.