

# ***Essentials of MIS 15th edition Laudon Test Bank***

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**Essentials of MIS, 15e (Laudon/Laudon/Traver)**  
**Chapter 2 Global E-Business and Collaboration**

1) Which of the following is *not* one of the five basic entities that make up a business and with which a business must deal?

- A) Customers
- B) Suppliers
- C) Invoices/payments
- D) Stockholders
- E) Employees

Answer: D

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

2) Producing a bill of materials is a business process with respect to which of the following functions?

- A) Finance and accounting
- B) Human resources
- C) Manufacturing and production
- D) Sales and marketing
- E) Research and development

Answer: C

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Difficulty: Easy

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

3) Identifying potential customers for the businesses' products or services is a business process associated with the \_\_\_\_\_ function.

- A) finance and accounting
- B) human resources
- C) manufacturing and production
- D) technology
- E) sales and marketing

Answer: E

Difficulty: Easy

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

4) Which of the following is an interorganizational business process?

- A) Hiring an employee
- B) Identifying a customer
- C) Creating financial statements
- D) Ordering raw materials
- E) Checking product quality

Answer: D

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

5) Employees that assist with administrative work at all levels of the firm are called:

- A) data workers.
- B) knowledge workers.
- C) operational management.
- D) service workers.
- E) senior managers.

Answer: A

Difficulty: Easy

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

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6) The three principal levels of hierarchies within a business organization are:

- A) senior management, knowledge workers, and service workers.
- B) senior management, middle management, and operational management.
- C) senior management, data workers, and operational management.
- D) senior management, operational management, and workers.
- E) senior management, operational management, and data workers.

Answer: B

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

7) Key forces in a business' immediate environment include:

- A) regulations.
- B) technological innovations.
- C) economic conditions.
- D) political conditions.
- E) global events.

Answer: A

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

8) Engineers and scientists are examples of:

- A) senior management.
- B) production workers.
- C) knowledge workers.
- D) middle management.
- E) operational management.

Answer: C

Difficulty: Easy

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

9) Which of the following is an example of a key force in a firm's broader, less immediate environment?

- A) Competitors
- B) Regulations
- C) Suppliers
- D) Scientific developments
- E) Customers

Answer: D

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

10) Which of the following is *not* a true statement with respect to business processes?

- A) Every business can be seen as a collection of business processes.
- B) Analyzing business processes can enable you to achieve a clear understanding of how a business actually works.
- C) The efficiency of a business firm typically is not related to its business processes.
- D) Information systems can automate many steps in business processes that were formerly performed manually.
- E) A business process may involve a unique way in which work, information, and knowledge are coordinated within an organization.

Answer: C

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

11) The information systems found in government and nonprofit organizations are typically very different from those found in private industry.

Answer: FALSE

Difficulty: Easy

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

12) Operational managers need transaction-level information that enable monitoring of the daily activities of a business.

Answer: TRUE

Difficulty: Moderate

AACSB: Analytical Thinking

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

13) Business processes that impede organizational responsiveness are a source of competitive strength for a company.

Answer: FALSE

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

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14) Senior management is responsible for ensuring the financial performance of the firm.

Answer: TRUE

Difficulty: Moderate

AACSB: Analytical Thinking

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

15) A business is a formal organization created to sell services or products at a profit.

Answer: TRUE

Difficulty: Easy

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

16) Every business process is tied to one specific functional area.

Answer: FALSE

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

17) The efficiency of a business firm depends to a large extent on how well its internal and interorganizational business processes are designed and coordinated.

Answer: TRUE

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

18) How can information systems and information technology be used to improve business processes?

Answer: Information systems can be used to automate many steps in business processes that were formerly performed manually, such as checking a client's credit or generating an invoice and shipping order. New information technology can actually change the flow of information, making it possible for many more people to access and share information, replacing sequential steps with tasks that can be performed simultaneously, and eliminating delays in decision making. New information technology can also change the way a business works and drive the creation of new business models. For example, ordering a book online from Amazon and streaming a song from Apple Music are entirely new business processes based on new business models that would be inconceivable without today's information technology.

Difficulty: Moderate

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

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

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19) Define and give an example of a cross-functional business process within a firm.

Answer: Cross-functional processes are those that require input, cooperation, or coordination between the major business functions in an organization. For instance, when a sales department receives an order, the major business functions of planning, production, inventory control, shipping, accounting, and customer relations will all be involved before the order is completed. The order passes first to accounting to ensure the customer can pay for the order either by a credit verification or request for immediate payment prior to shipping. Once the customer credit is established, the production department pulls the product from inventory or produces the product. Then the product is shipped (and this may require working with a logistics firm, such as UPS or FedEx). A bill or invoice is generated by the accounting department, and a notice is sent to the customer indicating that the product has shipped. The sales department is notified of the shipment and prepares to support the customer by answering calls or fulfilling warranty claims. What at first appears to be a simple process, fulfilling an order, turns out to be a very complicated series of business processes that require the close coordination of major functional groups in a firm.

Difficulty: Easy

AACSB: Analytical Thinking; Written and Oral Communication

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

20) Why do businesses invest in information systems?

Answer: Businesses invest in information systems as a way to manage their internal production functions and cope with the demands of key actors in their environments. Specifically, firms invest in information systems to achieve operational excellence (productivity, efficiency, agility); to develop new products and services; to attain customer intimacy and service (continuous marketing, sales, and service; customization and personalization); to improve decision making (accuracy and speed); to achieve competitive advantage; to ensure survival; and to promote environmental, social, and governance (ESG) goals.

Difficulty: Moderate

AACSB: Application of Knowledge; Written and Oral Communication

LO: 2-1: Identify the major features of a business that are important for understanding the role of information systems.

21) A(n) \_\_\_\_\_ performs and records the daily activities of a firm necessary to conduct business.

- A) ESS
- B) MIS
- C) DSS
- D) TPS
- E) KMS

Answer: D

Difficulty: Easy

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

22) Which type of system would you use to change a production schedule if a key supplier was late in delivering goods?

- A) ESS
- B) CRM
- C) MIS
- D) DSS
- E) SCM

Answer: E

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

23) A human resources system that summarizes the total moving, house-hunting, and home financing costs for employees in all company divisions is an example of which of the following types of system?

- A) KMS
- B) TPS
- C) ESS
- D) MIS
- E) CRM

Answer: D

Difficulty: Challenging

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

24) The term *management information systems* refers to a specific category of information systems serving:

- A) integrated data processing throughout the firm.
- B) transaction process reporting.
- C) senior management.
- D) middle management functions.
- E) knowledge workers.

Answer: D

Difficulty: Easy

AACSB: Information Technology TBEXAM.COM

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

25) Which of the following is a question that might be answered by an MIS system?

- A) What new products should our company create?
- B) What is the effect on return on investment of the changing costs of supplies?
- C) What is the best trucking route for product delivery?
- D) How do actual sales for each quarter compare to projected sales?
- E) What are employment levels in the industry likely to be in five years?

Answer: D

Difficulty: Challenging

AACSB: Analytical Thinking

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

26) Which of the following systems focuses on problems that are unique and rapidly changing?

- A) MIS
- B) TPS
- C) ESS
- D) DSS
- E) KWM

Answer: D

Difficulty: Easy

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

27) Which of the following systems would you use to consolidate the relevant knowledge and experience in the firm and make it available to improve business processes and management decision making?

- A) TPS
- B) An extranet
- C) KMS
- D) CRM
- E) MIS

Answer: C

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

28) Which of the following systems is especially suited to situations in which the procedure for arriving at a solution may not be fully predefined in advance?

- A) MIS
- B) TPS
- C) DSS
- D) KMS
- E) CRM

Answer: C

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

29) Which of the following systems would you use to forecast the return on investment if your firm planned to switch to a new supplier that offered products at a lower cost?

- A) ESS
- B) TPS
- C) MIS
- D) DSS
- E) CRM

Answer: D

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

30) An ESS is an information system that supports:

- A) decision making by senior management.
- B) knowledge and data workers in an organization.
- C) decision-making and administrative activities of middle managers.
- D) day-to-day processes of production.
- E) management of customer relationships.

Answer: A

Difficulty: Easy

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

31) Which of the following systems would you use to determine which trends in your supplier's industry will affect your firm the most during the next five years?

- A) ESS
- B) TPS
- C) MIS
- D) SCM
- E) KWM

Answer: A

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

32) Which of the following systems is designed to support organization-wide process coordination and integration?

- A) DSS
- B) MIS
- C) CRM
- D) Enterprise applications
- E) ESS

Answer: D

Difficulty: Easy

AACSB: Application of Knowledge; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

33) A(n) \_\_\_\_\_ collects data from various key business processes and stores the data in a single comprehensive data repository, usable by many parts of the business.

- A) TPS
- B) DSS
- C) SCM system
- D) MIS
- E) enterprise system

Answer: E

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

34) What is the most important benefit of an enterprise application?

- A) Enabling speed of communicating
- B) Enabling business functions and departments to share information
- C) Enabling a company to work collaboratively with customers and suppliers
- D) Enabling cost-effective, e-business processes
- E) Enabling managers to make better decisions

Answer: B

Difficulty: Challenging

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

35) \_\_\_\_\_ systems integrate and share information from suppliers, manufacturers, distributors, and logistics companies.

- A) Collaborative distribution
- B) Supply chain management
- C) Reverse logistics
- D) Enterprise planning
- E) Digital dashboard

Answer: B

Difficulty: Easy

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

36) A(n) \_\_\_\_\_ provides information to coordinate all of the business processes that deal with customers in sales, marketing, and service to optimize revenue, customer satisfaction, and customer retention.

- A) TPS
- B) MIS
- C) ESS
- D) CPS
- E) CRM system

Answer: E

Difficulty: Easy

AACSB: Information Technology TBEXAM.COM

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

37) Which of the following can typically access a company's intranet?

- A) The general public
- B) The firm's employees
- C) The firm's customers
- D) The firm's suppliers
- E) The firm's outside contractors

Answer: B

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

38) Which of the following types of information system typically uses a portal to deliver information to senior executives?

- A) MIS
- B) KMS
- C) ESS
- D) TPS
- E) DSS

Answer: C

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

39) Which of the following involves buying and selling goods and services via the Internet?

- A) E-commerce
- B) E-business
- C) CRM
- D) MIS
- E) SCM

Answer: A

Difficulty: Easy

AACSB: Application of Knowledge

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

40) The use of digital technology and the Internet to execute the major business processes in the enterprise is called:

- A) e-commerce.
- B) e-business.
- C) enterprise applications.
- D) MIS.
- E) KWM.

Answer: B

Difficulty: Easy

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

41) You work for a highly successful advertising company that is about to expand nationally. Of utmost importance will be finding a way to store and disseminate its clients' frequently updated branding and style guides throughout the organization. The guides include multiple image files and text documents. What system will best serve these needs?

- A) A wiki
- B) An extranet with KMS capabilities
- C) A TPS with KMS capabilities
- D) A telepresence system
- E) A virtual world

Answer: B

Difficulty: Challenging

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

42) You have been hired by Hudson Communications to help improve its business processes and financial performance. Hudson Communications is a business communications consulting firm that services many clients in different industries throughout the United States. The firm provides customized written recommendations about how to best use a client's existing resources to improve the client's internal communications. The company has approximately 50 consultants, all of whom are located in its central headquarters in New York City. Which of the following systems would you recommend that Hudson Communications install?

- A) Extranet, to enable quick collaboration via the Internet, minimize the time spent communicating with the client, and minimize the amount of paperwork needed
- B) CRM, to maintain easily accessible customer records to minimize the time spent looking for client data
- C) KMS, to minimize redundant work on similar clients
- D) TPS, to manage the firm's daily activities and transactions
- E) MIS, to produce reports on the firm's operations

Answer: A

Difficulty: Challenging

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

43) Which of the following types of systems could be used to enable different firms to work collaboratively on a product?

- A) Intranet
- B) Extranet
- C) KMS
- D) CRM
- E) DSS

Answer: B

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

44) SCM systems are considered to be a(n) \_\_\_\_\_ because they automate the flow of information across company boundaries.

- A) KMS
- B) enterprise system
- C) MIS
- D) interorganizational system
- E) cross-functional system

Answer: D

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

45) Which of the following addresses the decision-making needs of all levels of management?

- A) Business intelligence
- B) TPS
- C) MIS
- D) DSS
- E) ESS

Answer: A

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

46) The principal purpose of an MIS is to answer routine questions and track the flow of transactions through an organization.

Answer: FALSE

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

47) A TPS helps managers monitor the firm's relations with the external environment.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

48) A payroll system is a typical example of an MIS.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

49) A TPS typically uses data supplied by an MIS.

Answer: FALSE

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

50) An MIS generally is not flexible and has little analytical capability.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

51) Most MIS use sophisticated mathematical models and statistical techniques.

Answer: FALSE

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

52) A DSS often uses information from external sources.

Answer: TRUE

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Difficulty: Easy

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

53) An ESS is designed to serve the knowledge workers in the organization.

Answer: FALSE

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

54) An ESS is designed to incorporate data about external events, but it also draws summarized information from internal MIS and DSS.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

55) Valero's Refining Dashboard is an example of a TPS.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

56) An enterprise system stores information that was previously fragmented in many systems in a single comprehensive data repository where it can be used to support many cross-functional business processes.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

57) SCM systems are more internally oriented than enterprise systems.

Answer: FALSE

Difficulty: Moderate

AACSB: Analytical Thinking; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

58) Enterprise systems do not utilize order transaction data.

Answer: FALSE

Difficulty: Moderate

AACSB: Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

59) A KMS and a CRM system are both types of enterprise applications.

Answer: TRUE

Difficulty: Easy

AACSB: Application of Knowledge; Information Technology

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

60) Identify and discuss the major types of information systems used by different levels of management within a business.

Answer: The types of information systems used for different levels of management include transaction processing systems (TPS), management information systems (MIS), decision-support systems (DSS), and executive support systems (ESS). TPS, such as payroll or order processing, track the flow of the daily routine transactions that are necessary to conduct business. They are used by operational managers to manage day-to-day operations. MIS summarize and report on the company's basic operations using data supplied by TPS. They provide middle managers with reports on the organization's current performance and are not highly analytical. DSS also support middle management decisions when these decisions are unique, rapidly changing, and not specified easily in advance. They provide more advanced analytical models and data analysis capabilities than MIS and often draw on information from external as well as internal sources such as TPS and MIS reports. ESS support senior management by providing data of greatest importance to senior management decision makers. ESS filter, compress, and track critical data, and then display the data of greatest importance to senior management decision makers for their use in making nonroutine decisions requiring judgment, evaluation, and insight. ESS present graphs and data from many sources through an interface that is easy for senior managers to use, often a portal.

Difficulty: Moderate

AACSB: Information Technology; Written and Oral Communication

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

61) Woof Treats, a regional family-owned manufacturer of organic dog treats, has grown exponentially over the last few years. However, they are having difficulty in preparing for future growth. The only information system used at Woof Treats is an antiquated accounting system. The company has one manufacturing plant located in Pennsylvania, and three warehouses, in Pennsylvania, New York, and New Jersey. The Woof Treats sales force centered in the Northeast region, and Woof Treats purchases most of its raw materials from a small group of US organic suppliers. You have been hired to recommend the information systems Woof Treats should implement in order to maintain their competitive edge. However, there is not enough money for a full scale, cross-functional enterprise application, and you will need to limit the first step to a single management level. What will you choose, and why?

Answer: Student answers will vary. One example is as follows: A TPS can be used to keep day-to-day operations running smoothly, help to keep production costs low while maintaining quality, and can be used for communicating with other possible vendors. The TPS could later be used to feed MIS and other higher-level systems when they are installed.

Difficulty: Challenging

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

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

62) Describe at least two benefits of using enterprise systems.

Answer: Enterprise systems integrate the firm's key business processes in sales, production, finance, logistics, and human resources into a single software system. Information that was previously fragmented in many systems is stored in a single comprehensive data repository where it can be used by many parts of the business, allowing information to flow throughout the organization, improving coordination, efficiency, and decision making. For example, when a customer places an order, the order data flow automatically to other parts of the company that are affected by them. The order transaction triggers the warehouse to pick the ordered products and schedule shipment. The warehouse informs the factory to replenish whatever has been depleted. The accounting department is notified to send the customer an invoice. Customer service representatives track the progress of the order through every step to inform customers about the status of their orders. These systems help create a more uniform organization in which everyone uses similar processes and information and measures their work in terms of organization-wide performance standards. Managers can use the firmwide information to make more precise and timely decisions about daily operations and longer-term planning.

Difficulty: Moderate

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

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

63) How can a good CRM system increase profits for a company?

Answer: Customer relationship management (CRM) systems help firms manage their relationships with customers. CRM systems provide information to coordinate all of the business processes surrounding the firm's interactions with its customers in sales, marketing, and service to optimize revenue, customer satisfaction, and customer retention. This information helps firms identify, attract, and retain the most profitable customers, provide better service to existing customers, and increase sales.

Difficulty: Moderate

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

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

64) The automotive tire supply company you work for, Tires4U, has noticed that one of its brands of tires is not selling nearly as well as anticipated at most of its locations. Discuss what type of query you could use to retrieve relevant information from each of Tires4U's TPS, MIS, DSS, and ESS. Which of the information systems do you think will be most important for your analysis?

Answer: You might query operational level TPS to make sure that the product is actually getting to the stores and being restocked. You could query MIS to see average sales levels according to geography, location, and other factors to see if there are any specific factors affecting the sales. You might query ESS to see if the same tires are being sold by competitors and what these prices are. You might use DSS to see what factors could increase sales, such as reducing prices or increasing advertising. Assuming that the tires are being properly stocked at the stores, the most important systems to query are the MIS for summaries of sales records to help pinpoint various factors affecting sales, ESS to check competition, and DSS for higher-level analysis to forecast possible solutions.

Difficulty: Challenging

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

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

65) How have the technologies associated with e-business impacted government?

Answer: Governments on all levels are using Internet technology to deliver information and services to citizens, employees, and businesses with which they work. The term e-government refers to the application of the Internet and networking technologies to enable government and public sector agencies' relationships with citizens, businesses, and other arms of government digitally. In addition to improving delivery of government services, e-government can make government operations more efficient and empower citizens by giving them easier access to information and the ability to network digitally with other citizens.

Difficulty: Challenging

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

LO: 2-2: Explain how information systems serve different management groups in a business, and how systems that link the enterprise improve organizational performance.

66) All of the following are reasons for the increased importance of collaboration and teamwork today *except* the:

- A) changing nature of work.
- B) growth of professional work.
- C) changing scope of the firm.
- D) emphasis on innovation.
- E) increasing hierarchical organization of firms.

Answer: E

Difficulty: Challenging

AACSB: Analytical Thinking; Information Technology

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

67) Interaction jobs are those jobs which:

- A) require close coordination and collaboration.
- B) involve knowledge that can't be put into an information system.
- C) are performed typically by operational-level employees.
- D) do not require collaboration.
- E) require an emphasis on innovation.

Answer: A

Difficulty: Moderate

AACSB: Application of Knowledge; Interpersonal Relations and Teamwork

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

68) The focus of collaboration is to:

- A) accomplish the task at hand.
- B) provide a sense of community.
- C) foster better communication.
- D) prevent miscommunication.
- E) increase a firm's profit margin.

Answer: A

Difficulty: Moderate

AACSB: Application of Knowledge; Interpersonal Relations and Teamwork

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

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69) Which of the following statements is *not* true about collaboration in a business setting?

- A) Collaboration may be a short-lived activity, lasting just a few minutes.
- B) Collaboration can be a one-to-one or one-to-many activity.
- C) Meaningful collaboration requires that participants be organized into a formal team.
- D) One business benefit of collaboration is improved innovation.
- E) Special types of information systems are available to support collaboration.

Answer: C

Difficulty: Challenging

AACSB: Application of Knowledge; Interpersonal Relations and Teamwork

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

70) Each of the following is required for successful collaboration, *except*:

- A) open culture.
- B) strong hierarchy.
- C) supportive business processes.
- D) breadth of collaboration.
- E) appropriate collaboration technology.

Answer: B

Difficulty: Challenging

AACSB: Analytical Thinking; Interpersonal Relations and Teamwork

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

71) A wiki is a type of collaborative:

- A) social network.
- B) blog.
- C) virtual world.
- D) website.
- E) MIS.

Answer: D

Difficulty: Moderate

AACSB: Information Technology

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

72) The metaverse is an example of a(n):

- A) virtual world.
- B) wiki.
- C) social network.
- D) mind mapping tool.
- E) extranet.

Answer: A

Difficulty: Easy

AACSB: Information Technology

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

73) All of the following are typical capabilities of enterprise social networking software *except*:

- A) profiles.
- B) content sharing.
- C) tagging.
- D) feeds and notifications.
- E) virtual worlds.

Answer: E

Difficulty: Moderate

AACSB: Information Technology

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

74) What analytical framework helps understand and evaluate the benefits and uses of collaboration tools?

- A) Cost/use matrix
- B) Task/time matrix
- C) Space/cost matrix
- D) Time/space matrix
- E) Time/cost matrix

Answer: D

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

75) All of the following are examples of enterprise social networking tools *except*:

- A) Salesforce Chatter.
- B) Microsoft Yammer.
- C) Meta Workplace.
- D) Amazon Chime.
- E) IBM Connections.

Answer: D

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology; Interpersonal Relations and Teamwork

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

76) All of the following are tools that enable videoconferencing *except*:

- A) Apple FaceTime.
- B) Zoom.
- C) Microsoft Teams.
- D) Amazon Chime.
- E) Google Workspace.

Answer: E

Difficulty: Moderate

AACSB: Application of Knowledge; Information Technology

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

77) Instant messaging, videoconferencing, and shared screens are all examples of \_\_\_\_\_ collaboration tools.

- A) remote asynchronous
- B) colocated synchronous
- C) remote synchronous
- D) face-to-face synchronous
- E) co-located asynchronous

Answer: C

Difficulty: Challenging

AACSB: Information Technology; Interpersonal Relations and Teamwork

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

78) \_\_\_\_\_ technology allows a videoconference participant to give the appearance of being present at a location other than his or her true physical location.

- A) Telepresence
- B) Virtual reality
- C) Enterprise social networking
- D) Cloud collaboration
- E) Wiki

Answer: A

Difficulty: Moderate

AACSB: Information Technology; Interpersonal Relations and Teamwork

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

79) Which of the following is *not* an application of social business?

- A) Shared workspaces
- B) File sharing
- C) Blogs
- D) Digital dashboard
- E) Communities

Answer: D

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

80) \_\_\_\_\_ systems help organizations manage structured, semistructured, and unstructured types of information.

- A) TPS
- B) SCM
- C) ECM
- D) CRM
- E) LMS

Answer: C

Difficulty: Moderate

AACSB: Information Technology

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

81) All of the following are examples of semistructured or unstructured knowledge *except*:

- A) email.
- B) graphics.
- C) formal text documents.
- D) videos.
- E) chat room exchanges.

Answer: C

Difficulty: Easy

AACSB: Information Technology

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

82) Research has found that a focus on collaboration is central to how digitally advanced companies create business value and establish competitive advantage.

Answer: TRUE

Difficulty: Moderate

AACSB: Application of Knowledge; Interpersonal Relations and Teamwork

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

83) The primary goal of social business is to deepen interactions with employees and customers.

Answer: TRUE

Difficulty: Easy

AACSB: Application of Knowledge; Interpersonal Relations and Teamwork

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

84) You are consulting on software purchases for a translation agency whose headquarters is in New Jersey, but which works with translators located globally. Headquarters needs to share documents with groups of translators working on the same documents, who also need to communicate with each other, in real time if possible, as many people are working in different time zones. (1) What is your process for determining the most appropriate collaboration software? (2) In this particular case, what features will you be looking for?

Answer: (1) The first step is to determine the collaboration challenges facing the company and to place these needs in the time/space matrix—does collaboration need to be synchronous or asynchronous; does it need to be remote or colocated? Once the firm's location in the matrix is determined, you can look for vendor products that fill these needs and analyze the products' cost, features, benefits, risks, training, and implementation issues. A selection of the top contenders can be presented to the company. (2) In this case, you will be looking for products that allow remote interactions that are both synchronous and asynchronous.

Difficulty: Challenging

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

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

85) Identify and describe at least four business benefits of collaboration. Which do you feel is the most important and why?

Answer: Business benefits from collaboration are (1) productivity; (2) quality; (3) innovation; (4) customer service; and (5) financial performance. Collaboration helps productivity because people interacting and working together on a task can capture expert knowledge and solve problems more rapidly than the same number of people working in isolation from one another. There will be fewer errors. Collaboration helps quality because people working collaboratively can communicate errors and corrective actions faster than if they work in isolation. Collaboration helps reduce time delays in design and production. Collaboration helps innovation because people working collaboratively can come up with more innovative ideas for products, services, and administration than the same number working in isolation from one another. Collaboration helps customer service because people working together using collaboration can solve customer complaints and issues faster and more quickly than if they were working in isolation. And finally, as a result of all of these benefits, collaborative firms have the potential for superior sales, sales growth, and financial performance. Student evaluations will as to the most important of these benefits will vary: one answer might be, for example, the most important of the benefits is innovation, because new products, services, and means of production are at the heart of being able to outperform your competitors.

Difficulty: Challenging

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

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

86) Why are "conversations" relevant to social business?

Answer: Customers, suppliers, employees, managers, and even oversight agencies continually have conversations about firms, often without the knowledge of the firm or its key actors (employees and managers). Supporters of social business assert that if firms could tune into these conversations, they will strengthen their bonds with consumers, suppliers, and employees, increasing their emotional involvement in the firm.

Difficulty: Moderate

AACSB: Application of Knowledge; Written and Oral Communication

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

87) How do enterprise content management (ECM) systems help organizations manage knowledge?

Answer: Enterprise content management (ECM) systems help organizations manage structured, semistructured, and unstructured types of information. They have capabilities for knowledge capture, storage, retrieval, distribution, and preservation. Such systems include corporate repositories of documents, reports, presentations, and best practices as well as capabilities for collecting and organizing semi-structured knowledge such as email. Major ECM systems also enable users to access external sources of information, such as news feeds and research, and to communicate by email, chat/instant messaging, discussion groups, and videoconferencing. They are starting to incorporate blogs, wikis, and other enterprise social networking tools.

A key problem in managing knowledge is the creation of an appropriate classification scheme to organize information into meaningful categories. Once the categories for classifying knowledge have been created, each knowledge object needs to be tagged, or classified, so that it can be easily retrieved. ECM systems have capabilities for tagging, interfacing with corporate data repositories where the documents are stored, and creating an enterprise portal environment for employees to use when searching for corporate knowledge.

Some of the knowledge that businesses need is not in the form of a digital document but instead is tacit knowledge that resides in the memory of individual experts in the firm. Contemporary enterprise content management systems, along with the systems for collaboration and social business, have capabilities for locating experts and tapping their knowledge. These include online directories of corporate experts and their profiles, with details about their job experience, projects, publications, and educational degrees, and repositories of expert-generated content. Specialized search tools make it easier for employees to find the appropriate expert in a company.

Difficulty: Moderate

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

LO: 2-3: Understand why systems for collaboration, social business, and knowledge management are so important and the technologies they use.

88) Which of the following is responsible for the firm's knowledge management program?

- A) CIO
- B) CSO
- C) CPO
- D) CKO
- E) CDO

Answer: D

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 2-4: Describe the role of the information systems function in a business.

89) Which of the following is most likely to have direct responsibility for ensuring that his or her company complies with existing data privacy laws?

- A) CPO
- B) CKO
- C) CIO
- D) CDO
- E) CSO

Answer: A

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 2-4: Describe the role of the information systems function in a business.

90) The principal liaison between the information systems groups and the rest of the organization is a(n):

- A) programmer.
- B) information systems manager.
- C) systems analyst.
- D) CIO.
- E) CSO.

Answer: C

Difficulty: Moderate

AACSB: Information Technology

LO: 2-4: Describe the role of the information systems function in a business.

91) A \_\_\_\_\_ is a senior manager who oversees the use of IT in the firm.

- A) CEO
- B) CFO
- C) CIO
- D) CDO
- E) CPO

Answer: C

Difficulty: Easy

AACSB: Application of Knowledge

LO: 2-4: Describe the role of the information systems function in a business.

92) Development and support services for a firm's business systems are provided by:

- A) IT educational services.
- B) IT management services.
- C) data management services.
- D) IT standards services.
- E) application software services.

Answer: E

Difficulty: Challenging

AACSB: Information Technology

LO: 2-4: Describe the role of the information systems function in a business.

93) Policies that determine which information technology will be used, when, and how, are provided by:

- A) IT educational services.
- B) IT management services.
- C) application software services.
- D) IT standards services.
- E) data management services.

Answer: D

Difficulty: Challenging

AACSB: Information Technology

LO: 2-4: Describe the role of the information systems function in a business.

94) Which of the following would a CISO *not* be responsible for?

- A) Educating and training users about security
- B) Keeping management aware of security threats
- C) Maintaining tools chosen to implement security
- D) Providing physical security
- E) Enforcing the firm's information security policy

Answer: D

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 2-4: Describe the role of the information systems function in a business.

95) Which of the following would be primarily responsible for enterprise-wide governance and usage of information to maximize the value of an organization's data?

- A) CKO
- B) CPO
- C) End users
- D) CDO
- E) CSO

Answer: D

Difficulty: Moderate

AACSB: Application of Knowledge

LO: 2-4: Describe the role of the information systems function in a business.

96) Which of the following is *not* a service typically provided by an information systems department?

- A) Telecommunications services
- B) Physical facilities management services
- C) Data management services
- D) Project management services
- E) Human resources services

Answer: E

Difficulty: Challenging

AACSB: Application of Knowledge

LO: 2-4: Describe the role of the information systems function in a business.

97) Programmers translate business problems and requirements into information requirements and systems.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

LO: 2-4: Describe the role of the information systems function in a business.

98) End users are playing an increasing role in the design and development of information systems.

Answer: TRUE

Difficulty: Moderate

AACSB: Application of Knowledge TBEXAM.COM

LO: 2-4: Describe the role of the information systems function in a business.

99) List and describe the services that an information systems department typically provides.

Answer: An information systems department typically provides the following services:

Computing services, which connect employees, customers, and suppliers into a coherent digital environment, including mainframes (in very large companies), server computers, desktop and laptop computers, and mobile devices; telecommunications services, which provide data, voice, and video connectivity to employees, customers, and suppliers; data management services, which store and manage corporate data and provide capabilities for analyzing the data; application software services, which provide development and support services for the firm's business systems; IT management services, which plan and develop the infrastructure, coordinate with the business units for IT services, manage accounting for the IT expenditure, and provide project management services; IT standards services, which provide the firm and its business units with policies that determine not only which information technology will be used but when and how it is used; IT educational services, which provide training in system use to employees and IT specialists; and IT research and development services, which provide the firm with research on potential future information systems projects and investments that could help the firm differentiate itself in the marketplace.

Difficulty: Moderate

AACSB: Information Technology; Written and Oral Communication

LO: 2-4: Describe the role of the information systems function in a business.

100) The role of the information systems department in a company is solely to support the needs of other groups as determined by senior managers. Explain why you agree or disagree with this statement.

Answer: Answers will vary but should include an understanding of the role this department plays in creating new products and services and coordinating organizational change. An example answer is: I disagree with this statement. While a major function of the information systems department is to install, run, and manage the technology infrastructure, another role that it should play is to inform the company about new technologies, suggest capabilities the firm could have based on new or existing technologies, and help the firm manage business processes and change.

Difficulty: Challenging

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

LO: 2-4: Describe the role of the information systems function in a business.

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