

**Management Information Systems, 17e (Laudon/Laudon)**  
**Chapter 2 Global E-business and Collaboration**

1) Producing a bill of materials is a business process in which of the following functional areas?

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

Answer: C

Difficulty: Moderate

AACSB: Application of knowledge

LO: 2-1: What are business processes? How are they related to information systems?

2) Which of the following is an example of a cross-functional business process?

- A) Identifying customers
- B) Shipping a product
- C) Fulfilling a customer order
- D) Hiring employees
- E) Paying creditors

Answer: C

Difficulty: Moderate

AACSB: Analytical thinking

LO: 2-1: What are business processes? How are they related to information systems?

3) Order fulfillment involves all of the following business processes *except*:

- A) checking the customer's credit.
- B) assembling the product.
- C) submitting the order.
- D) making customers aware of the product.
- E) shipping the product.

Answer: D

Difficulty: Moderate

AACSB: Application of knowledge

LO: 2-1: What are business processes? How are they related to information systems?

4) The \_\_\_\_\_ function is responsible for making sure customers are aware of the company's products.

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

Answer: D

Difficulty: Easy

AACSB: Application of knowledge

LO: 2-1: What are business processes? How are they related to information systems?

- 5) 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 performance of a business firm typically is not related to its business processes.
  - D) Business processes can be either a source of competitive strength or a liability.
  - 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: What are business processes? How are they related to information systems?

- 6) Checking for quality is a business process handled by the marketing function.

Answer: FALSE

Difficulty: Moderate

AACSB: Information technology

LO: 2-1: What are business processes? How are they related to information systems?

- 7) A business process must be tied to just one specific functional area.

Answer: FALSE

Difficulty: Moderate

AACSB: Analytical thinking

LO: 2-1: What are business processes? How are they related to information systems?

- 8) 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 also frequently changes the way a business works and supports entirely new business models. For example, downloading a Kindle e-book from Amazon, buying a computer online at Best Buy, and downloading a music track from iTunes are entirely new business processes based on new business models that would be inconceivable without today's information technology.

Difficulty: Moderate

AACSB: Analytical thinking; Written and oral communication

LO: 2-1: What are business processes? How are they related to information systems?

9) What are cross-functional business processes? Give an example.

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: Moderate

AACSB: Analytical thinking; Written and oral communication

LO: 2-1: What are business processes? How are they related to information systems?

10) Your aunt has asked you for your suggestions to make her business, a local sandwich shop, more efficient. Describe at least three types of business processes that a sandwich shop has. Can any of these processes be made more efficient through the use of information systems?

Answer: The business processes of a sandwich shop include: Taking orders, making sandwiches, selling to the customer, ordering supplies, opening the store, closing the store, cleaning the store, paying employees, hiring employees, paying creditors and vendors, creating financial statements, paying taxes, managing cash. Many of these processes could be helped by better information systems, specifically those that require recorded data, such as any financial processes (payments, cash management, taxes, payroll) and information gathered from and distributed to employees.

Difficulty: Moderate

AACSB: Analytical thinking; Written and oral communication

LO: 2-1: What are business processes? How are they related to information systems?

11) Which of the following systems would an organization use to compare total annual sales for a specific product to a planned target?

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

Answer: C

Difficulty: Moderate

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

- 12) Which of the following statements about a TPS is *not* true?
- A) A TPS failure for even a few hours can lead to a firm's demise.
  - B) A TPS supports operational management.
  - C) TPS typically supply data to a firm's ESS.
  - D) Tracking the flow of transactions within an organization is one of the principal purposes of a TPS.
  - E) A payroll system is an example of a TPS.

Answer: C

Difficulty: Challenging

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

- 13) Managers use which of the following systems to monitor the status of internal operations and the firm's relations with the external environment?

- A) DSS
- B) KWS
- C) TPS
- D) MIS
- E) BIS

Answer: C

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

- 14) A(n) \_\_\_\_\_ is typically a major source of data for other systems.

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

Answer: A

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

15) 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) employees with online access to historical records.
- D) the information technology function.
- E) middle management functions.

Answer: E

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

16) Which of the following would a manager use to determine the impact on production schedule if sales doubled in the next quarter?

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

Answer: D

Difficulty: Moderate

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

17) A system that reports summaries on the total moving, house hunting, and home financing costs for employees in all company divisions is an example of which of the following?

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

Answer: D

Difficulty: Challenging

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

18) Which of the following systems is used to focus on non-routine business problems that are unique and rapidly changing?

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

Answer: D

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

19) 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) SCM

Answer: C

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

20) 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) CRM
- E) DSS

Answer: E

Difficulty: Moderate

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

21) Which level of the organization is an ESS specifically designed to serve?

- A) Operational management
- B) End-users
- C) Middle management
- D) Senior management
- E) Knowledge workers

Answer: D

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

22) An ESS supports which of the following?

- A) Long-range planning activities of 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) Transactional needs of the organization

Answer: A

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

23) Which of the following systems incorporates data from external events as well as summarized information from internal business intelligence systems?

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

Answer: B

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

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

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

Answer: A

Difficulty: Easy

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do 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: Moderate

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

26) Using the Internet to buy or sell goods is called:

- A) e-commerce.
- B) e-business.
- C) an intranet.
- D) an extranet.
- E) e-government.

Answer: A

Difficulty: Easy

AACSB: Application of knowledge

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

- 27) All of the following are examples of business intelligence systems *except* a system that:
- A) summarizes and reports on a company's basic operations.
  - B) tracks the flows of materials in a factory.
  - C) focuses on problems that are unique and rapidly changing.
  - D) compares total annual sales figures for specific products to planned targets.
  - E) addresses nonroutine decisions.

Answer: B

Difficulty: Challenging

AACSB: Application of knowledge

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

- 28) Which of the following systems typically uses a digital dashboard to display an array of charts and graphs of a business's key performance indicators?

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

Answer: C

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

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

- A) Enabling the creation of business intelligence
- B) Helping businesses become more flexible and productive by enabling business functions and departments to share information and coordinate their business processes more closely
- C) Providing answers to nonroutine questions
- D) Enabling cost-effective e-business processes
- E) Enabling managers to make better decisions

Answer: B

Difficulty: Challenging

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

30) Which of the following systems is designed to automate business processes across the firm, spanning functional areas and organizational levels?

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

Answer: D

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

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

- A) transaction processing
- B) enterprise
- C) automatic reporting
- D) management information
- E) knowledge management

Answer: B

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

32) The four major types of enterprise applications are:

- A) SCM, CRM, DSS, and KMS.
- B) SCM, CRM, ESS, and KMSs.
- C) ERP, SCM, DSS, and CRM.
- D) ERP, SCM, CRM, and KMS.
- E) TPS, MIS, DSS, and ESS.

Answer: D

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

33) Enterprise systems are also known as which of the following?

- A) SCM systems
- B) ERP systems
- C) ESS
- D) MIS
- E) DSS

Answer: B

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

34) Which of the following systems helps a firm manage relationships with its suppliers?

- A) SCM
- B) TPS
- C) KMS
- D) ERP
- E) MIS

Answer: A

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

35) Which of the following systems integrates supplier, manufacturer, distributor, and customer logistics processes?

- A) Collaborative distribution system
- B) Supply chain management system
- C) Reverse logistics system
- D) Enterprise planning system
- E) Transaction processing system

Answer: B

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

36) Which of the following systems would a firm use to manage relationships with its customers?

- A) CRM
- B) MIS
- C) CLE
- D) CLU
- E) KMS

Answer: A

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

37) 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: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

38) You have been hired by BizCom to help it improve its business processes and financial performance. BizCom is a business communications consulting firm that services many clients in different industries throughout the United States. BizCom 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 Alexandria, Virginia. Which of the following would you recommend that BizCom install?

- A) Extranet, to enable quick collaboration over the Internet, minimize the time spent communicating with its clients, 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) MIS, to produce reports on the firm's operations
- E) TPS, to help manage all daily activities and transactions

Answer: A

Difficulty: Challenging

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

39) You manage the IT department for a firm that manages regional farmer's markets. You need to set up an inexpensive system that allows local vendors to see real-time statistics about which of the firm's markets have vendor openings on which days. Which of the following systems would most efficiently provide a solution?

- A) CRM
- B) Enterprise system
- C) Extranet
- D) Intranet
- E) MIS

Answer: C

Difficulty: Challenging

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

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

- A) Intranet
- B) Extranet
- C) TPS
- D) ESS
- E) DSS

Answer: B

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

41) E-government is intended to do all of the following *except*:

- A) transform a business firm's relationships with its customers.
- B) improve delivery of government services.
- C) make government operations more efficient.
- D) empower citizens by giving them easier access to information.
- E) provide the ability for citizens to network electronically with other citizens.

Answer: A

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

42) In \_\_\_\_\_, digital technology and the Internet are used to execute the major business processes in the enterprise.

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

Answer: B

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

43) Which of the following can typically access a firm'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: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

44) Transaction-level information is essential for operational management to plan future production levels.

Answer: FALSE

Difficulty: Easy

AACSB: Application of knowledge

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

45) Cross-functional systems are being phased out in favor of systems that support business processes within a single functional group, such as human resources.

Answer: FALSE

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

46) A DSS enables business analysts to use sophisticated analytics and models to analyze data.

Answer: TRUE

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

47) You would use a TPS to help determine if your business should introduce a new product line.

Answer: FALSE

Difficulty: Moderate

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

48) Managers rely on TPS for nonroutine decision making.

Answer: FALSE

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

49) Most TPS use sophisticated mathematical models or statistical techniques.

Answer: FALSE

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

50) Managers can use DSS to make decisions about problems that are unusual and not easily specified in advance.

Answer: TRUE

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

51) A DSS only uses information from external sources.

Answer: FALSE

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

52) An organization's MIS and DSS supply an ESS with summarized information.

Answer: TRUE

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

53) Operational managers use ESS primarily to solve specific problems.

Answer: FALSE

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

54) A web interface used to present integrated personalized business content to users is called a portal.

Answer: TRUE

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

55) Enterprise applications integrate information from multiple functions and business processes to enhance the performance of the organization as a whole.

Answer: TRUE

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

56) An SCM is considered to be an intraorganizational system because it automates the flow of information across organizational boundaries.

Answer: FALSE

Difficulty: Challenging

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

57) Supply chain management systems are one type of interorganizational system.

Answer: TRUE

Difficulty: Challenging

AACSB: Analytical thinking

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

58) A TPS is an information system that keeps track of all of the daily routine transactions of a business.

Answer: TRUE

Difficulty: Easy

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

59) Customer relationship management systems coordinate all of the business processes that deal with customers in sales, marketing, and service.

Answer: TRUE

Difficulty: Moderate

AACSB: Information technology

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

60) The pet products chain you work for, Pets Galore, has noticed that one of its brands of dog food is not selling nearly as well as anticipated. What information systems of the business will you use to determine the reason for the poor sales? Discuss what information you will retrieve from which system. Which of the information systems will be most important for your analysis? Which of the systems will be least important?

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 dog food is being sold by competitors and what these prices are. You might use DSS to see what factors could increase sales.

Assuming that the dog food is being properly stocked at the stores, the most important systems to query are the managerial-level systems: MIS for summaries of sales records to help pinpoint any other factors; 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: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

61) Identify and discuss the major types of information systems used by different levels of management within a business. What are the relationships among these systems?

Answer: The four major categories of information systems are:

1. Transaction processing systems (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.
2. Management information systems (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.
3. Decision-support systems (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.
4. Executive support systems (ESS) support senior management. 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, both external and internal, through an interface, often a portal, that is easy for senior managers to use.

The various types of systems in the organization exchange data with one another. TPS are a major source of data for other systems, especially MIS and DSS. ESSs primarily receive data from external systems, but also draw summarized information from internal MIS and DSS.

Difficulty: Moderate

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

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

62) Xoom Vacuum, a family-owned manufacturer of high-end vacuums, has grown exponentially over the last few years. However, the company is having difficulty preparing for future growth. The only information system used at Xoom is an antiquated accounting system. The company has one manufacturing plant located in Iowa; and three warehouses, in Iowa, New Jersey, and Nevada. The Xoom sales force is national and Xoom purchases about 25 percent of its vacuum parts and materials from a single overseas supplier. You have been hired to recommend the information systems Xoom should implement in order to maintain its competitive edge. However, there is not enough money for a full-blown, cross-functional enterprise application, and you will need to limit the first step to a single functional area or constituency. What will you choose, and why?

Answer: Student answers will vary, e.g., a TPS focusing on production and manufacturing to keep production costs low while maintaining quality, and for communicating with other possible vendors. The TPS would later be used to feed MIS and other higher-level systems.

Difficulty: Moderate

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

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

63) 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 so that information can 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. The coordination of the firm's key business processes allows the firm to respond more rapidly to customer demands. Managers are able to use firmwide information to make more-precise and timely decisions about daily operations and longer-term planning.

Difficulty: Easy

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

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

64) 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. For example, citizens in some states can renew their driver's licenses or apply for unemployment benefits online, and the Internet has become a powerful tool for instantly mobilizing interest groups for political action and fundraising.

Difficulty: Challenging

AACSB: Application of knowledge; Written and oral communication

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

65) What is a digital dashboard, and why are they becoming an increasingly popular tool?

Answer: A digital dashboard displays graphical information and charts of key performance indicators on a single screen. They are becoming increasingly popular because they provide comprehensive and accurate information for decision making that helps managers quickly spot areas that need attention.

Difficulty: Challenging

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

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

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

Answer: CRM systems help firms manage their relationships with their customers. CRM systems provide 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. The systems consolidate customer information from multiple sources - telephone, email, wireless devices, traditional sales and marketing systems, and the web - so that the firm can obtain a unified view of a customer. This information helps firms identify, attract, and retain the most profitable customers, provide better service to existing customers, and increase sales, and ultimately profits.

Difficulty: Moderate

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

LO: 2-2: How do systems serve the different management groups in a business and how do systems that link the enterprise improve organizational performance?

67) Telepresence technology is primarily designed to:

A) allow managers to observe how employees behave.

B) allow a person to give the appearance of being at a location other than his or her true physical location.

C) provide managers with a tool to visualize corporate performance.

D) store the firm's visual content like videos.

E) enable the sales force to keep track of customer orders.

Answer: B

Difficulty: Moderate

AACSB: Information technology

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

68) A wiki is a type of collaborative:

A) social network.

B) blog.

C) virtual world.

D) website.

E) MIS.

Answer: D

Difficulty: Easy

AACSB: Information technology

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

69) All of the following are capabilities of enterprise social networking tools *except*:

- A) the ability to set up member profiles.
- B) the ability to share, store, and manage content.
- C) the ability to establish groups and team workspaces.
- D) tagging and social bookmarking.
- E) supply chain management.

Answer: E

Difficulty: Moderate

AACSB: Information technology

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

70) Which of the following statements about collaboration is *not* true?

- A) In business, a collaboration can last as little as a few minutes.
- B) Business collaboration relies on the formation of teams that are assigned a specific task or goal.
- C) Successful collaboration can be achieved through technology regardless of the organization's culture or structure.
- D) One business benefit of collaboration is improved innovation.
- E) Collaboration can be one-to-one or many-to-many.

Answer: C

Difficulty: Challenging

AACSB: Application of knowledge

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

71) 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: Analytical thinking

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

72) 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: Moderate

AACSB: Application of knowledge

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

73) Which of the following is *not* a business benefit of collaboration?

- A) Improved quality
- B) Improved financial performance
- C) Improved customer service
- D) Improved innovation
- E) Improved compliance with government regulations

Answer: E

Difficulty: Easy

AACSB: Application of knowledge

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

74) Second Life 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: Why are systems for collaboration and social business so important, and what technologies do they use?

75) Which of the following is *not* a reason for the increased business focus on collaboration and teamwork?

- A) Emphasis on innovation
- B) Growth of professional work
- C) Changing nature of work
- D) Support for hierarchical organizational structures
- E) Changing scope of the firm

Answer: D

Difficulty: Moderate

AACSB: Application of knowledge

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

76) Which of the following statements regarding IBM Notes is *not* true?

- A) It offers an application development environment so that users can build custom applications to suit their unique needs.
- B) It is collaborative software system similar to Microsoft SharePoint.
- C) It provides capabilities for wikis and microblogging.
- D) It only supports asynchronous interactions.
- E) It is designed to provide security for sensitive corporate information.

Answer: D

Difficulty: Moderate

AACSB: Information technology

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

77) Which of the following is *not* one of the four main classifications for collaboration tools identified by the space/time matrix?

- A) Synchronous/colocated
- B) Same time/remote
- C) Different time/remote
- D) Remote/colocated
- E) Same time/same place

Answer: D

Difficulty: Moderate

AACSB: Application of knowledge

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

78) All of the following are videoconferencing tools *except*:

- A) Salesforce Chatter
- B) Zoom
- C) Apple Facetime
- D) Amazon Chime
- E) Microsoft Teams

Answer: A

Difficulty: Easy

AACSB: Application of knowledge

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

79) From your reading of the chapter-opening case study discussing Sharp Corporation's use of enterprise social networking, which of the following statements best expresses Sharp's experience?

- A) Sharp's primary motivation was to enhance its security.
- B) Sharp's primary motivation was to change its organizational culture.
- C) Efforts to implement Yammer were met with significant resistance from employees.
- D) Yammer provided Sharp with a single entry point to all the information and tools employees need for their jobs.
- E) Sharp is primarily using Yammer to create an external network to link suppliers, customers, and others outside the organization.

Answer: B

Difficulty: Moderate

AACSB: Analytical thinking; Information technology

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

80) Crowdsourcing is an example of a social business application.

Answer: TRUE

Difficulty: Moderate

AACSB: Information technology

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

81) A key word in social business is "conversations."

Answer: TRUE

Difficulty: Moderate

AACSB: Information technology

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

82) Google Drive is an example of a cloud collaboration service.

Answer: TRUE

Difficulty: Moderate

AACSB: Information technology

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

83) Global firms can collaborate from different locations at the same time using synchronous collaboration tools.

Answer: TRUE

Difficulty: Easy

AACSB: Information technology

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

84) You have been hired to work with 8 employees from different branches of a national business to help create a web application to be used to train new sales employees. Identify six collaboration tools that are available to help the team work together. Which single tool would be the most helpful for the project, in your opinion, and why?

Answer: Collaboration tools include email and instant messaging; wikis; virtual worlds, and collaboration and social platforms such as virtual meeting systems, cloud collaboration services, Microsoft SharePoint and IBM Notes, and enterprise social networking tools. Student answers will vary as to which single tool would be most helpful for the project: e.g., the most helpful of these might be a cloud collaboration service because it would enable people to have discussions, calendars, conferences, and share documents from many different locations.

Difficulty: Moderate

AACSB: Analytical thinking; Written and oral communication

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do 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 working together on a task can complete the task more quickly. It helps quality because people working together will be more able to correct each other's mistakes. It helps innovation because people working in groups come up with more ideas than those working in isolation. It helps customer service because teams can solve customer complaints more quickly together rather than working in isolation. And as a result of all of these benefits, collaboration helps finance, because collaborative firms have superior sales, sales growth, and financial performance. Student evaluations will vary as to which benefit is most important: for example, the most important of the benefits might be: innovation, because new products, services, and means of production are at the heart of being able to outperform your competitors.

Difficulty: Moderate

AACSB: Analytical thinking; Written and oral communication

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

86) You have been hired by an international architectural firm, with offices in Singapore, Paris, and Mumbai. The firm would like architects and draftspeople from different teams to be able to collaborate efficiently. How will you determine what the best collaboration tools are for their needs?

Answer: The first step in evaluation is to determine what the collaboration challenges are and to locate the firm in the time/space matrix. Secondly, for each block of the matrix that the firm is in, determine what solutions are available from which vendors. Third, analyze the products in terms of their costs and benefits to the firm. Next, identify any risks involved with using the product. Then, seek the help of potential users to identify implementation and training issues. Finally, make a shortlist of tools and invite vendors to make presentations.

Difficulty: Challenging

AACSB: Analytical thinking; Written and oral communication

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

87) How do collaborative business culture and business processes differ from "command-and-control" firms?

Answer: In command-and-control organizations, the top leaders determine all the really important matters and then order lower-level employees to execute senior management plans. The job of middle management is to pass messages back and forth up and down the hierarchy. Command-and-control firms require lower-level employees to carry out orders without asking too many questions, with no responsibility to improve processes, and with no rewards for teamwork or team performance. If workgroups need help from another work group, that is something for the bosses to figure out. Employees never communicate horizontally, always vertically, so management can control the process.

A collaborative business culture and business processes are very different. Senior managers are responsible for achieving results but rely on teams of employees to achieve and implement the results. Policies, products, designs, processes, and systems are much more dependent on teams at all levels of the organization to devise, to create, and to build. Teams are rewarded for their performance, and individuals are rewarded for their performance in a team. The function of middle managers is to build the teams, coordinate their work, and monitor their performance. The business culture and business processes are more social. In a collaborative culture, senior management establishes collaboration and teamwork as vital to the organization, and it actually implements collaboration for the senior ranks of the business as well.

Difficulty: Challenging

AACSB: Application of knowledge; Written and oral communication

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

88) 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: Challenging

AACSB: Application of knowledge; Written and oral communication

LO: 2-3: Why are systems for collaboration and social business so important, and what technologies do they use?

89) 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) CTO.
- E) CIO.

Answer: C

Difficulty: Easy

AACSB: Information technology

LO: 2-4: What is the role of the information systems function in a business?

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

- A) CEO
- B) CFO
- C) CIO
- D) CTO
- E) CKO

Answer: C

Difficulty: Easy

AACSB: Information technology

LO: 2-4: What is the role of the information systems function in a business?

91) An information systems manager:

- A) writes software instructions for computers.
- B) acts as liaison between the information systems group and the rest of the organization.
- C) translates business problems into information requirements.
- D) manages computer operations and data entry staff.
- E) oversees the company's security policy.

Answer: D

Difficulty: Challenging

AACSB: Information technology

LO: 2-4: What is the role of the information systems function in a business?

92) The \_\_\_\_\_ helps design programs and systems to find new sources of knowledge or to make better use of existing knowledge in organizational and management processes.

- A) CTO
- B) CSO
- C) CKO
- D) CPO
- E) CEO

Answer: C

Difficulty: Easy

AACSB: Information technology

LO: 2-4: What is the role of the information systems function in a business?

93) Which of the following is a firm's CPO responsible for?

- A) Ensuring that the company complies with existing data privacy laws
- B) Making better use of existing knowledge in organizational and management processes
- C) Enforcing the firm's information security policy
- D) Overseeing the use of information technology in the firm
- E) Acting as liaison between the information systems group and the rest of the company

Answer: A

Difficulty: Easy

AACSB: Information technology

LO: 2-4: What is the role of the information systems function in a business?

94) All of the following job categories are expected to have above-average growth *except*:

- A) web developers.
- B) cloud engineers.
- C) network analysts.
- D) computer programmers.
- E) data scientists.

Answer: D

Difficulty: Challenging

AACSB: Application of knowledge

LO: 2-4: What is the role of the information systems function in a business?

95) A firm's \_\_\_\_\_ is responsible for enterprise-wide governance and utilization of information to maximize the value the organization can realize from its data.

- A) CKO
- B) CIO
- C) CDO
- D) CSO
- E) database administrator

Answer: C

Difficulty: Challenging

AACSB: Application of knowledge

LO: 2-4: What is the role of the information systems function in a business?

96) \_\_\_\_\_ are responsible for translating business problems and requirements into information requirements and systems.

- A) End users
- B) Information systems managers
- C) Programmers
- D) Systems analysts
- E) Database specialists

Answer: D

Difficulty: Moderate

AACSB: Information technology

LO: 2-4: What is the role of the information systems function in a business?

97) End users are playing an increasingly large role in the design and development of information systems.

Answer: TRUE

Difficulty: Challenging

AACSB: Information technology

LO: 2-4: What is the role of the information systems function in a business?

98) The information systems department suggests new business strategies and new information-based products and services.

Answer: TRUE

Difficulty: Moderate

AACSB: Information technology

LO: 2-4: What is the role of the information systems function in a business?

99) IT governance refers to the overall decision-making that guides the IT strategy of a firm.

Answer: TRUE

Difficulty: Challenging

AACSB: Information technology

LO: 2-4: What is the role of the information systems function in a business?

100) Describe the role of IT governance within the firm.

Answer: IT governance is the management of how the information systems function is organized and handled within the firm. IT governance includes the strategy and policies for using information technology within an organization. It specifies the decision rights and framework for accountability to ensure that the use of information technology supports the organization's strategies and objectives. For example, IT governance decides how decisions implementing and evaluating new systems are made, whether the IT function should be decentralized or centralized, who has power to create and manage systems, and what kind of ROI is expected from systems.

Difficulty: Moderate

AACSB: Analytical thinking; Written and oral communication

LO: 2-4: What is the role of the information systems function in a business?