Package Title: Assessment Questions
Course Title: Intro IS 5e
Chapter Number: 2

Question Type: True/False

1. A business process has inputs and outputs

Answer: True
Section reference 1: Business Processes
Difficulty: Easy
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

2. The activities of a business process can be measured

Answer: True
Section reference 1: Business Processes
Difficulty: Easy
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

3. Cross-functional processes are executed within a single functional area.

Answer: False
Section reference 1: Business Processes
Difficulty: Easy
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

4. The procurement process includes the sales function.

Answer: False
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

5. An organization's business processes can create a competitive advantage.

Answer: True
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

6. A business process always includes information systems.

Answer: False
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

7. BPR is a strategy for improving the efficiency of an organization's data collection.

Answer: False
Section reference 1: Business process reengineering and business process management
Difficulty: Medium
Learning Objective 1: LO 2.2 Differentiate between the terms business process reengineering and business process management.

8. BPM is an implementation of BPR.

Answer: False
Section reference 1: Business process reengineering and business process management
Difficulty: Hard
Learning Objective 1: LO 2.2 Differentiate between the terms business process reengineering and business process management.

9. BPM can improve an organization's flexibility.

Answer: True
Section reference 1: Business process reengineering and business process management
Difficulty: Medium
Learning Objective 1: LO 2.2 Differentiate between the terms business process reengineering and business process management.

10. The overall performance of an organization has little to do with how well it manages its business processes.

Answer: False
Section reference 1: Business Process Reengineering and Business Process Management
Difficulty: Medium
Learning Objective 1: LO 2.2 Differentiate between the terms business process reengineering and business process management.

11. Business process management includes methods and tools to support the design, analysis, implementation, management, and optimization of business processes.

Answer: True
Section reference 1: Business Process Reengineering and Business Process Management
Difficulty: Easy
Learning Objective 1: LO 2.2 Differentiate between the terms business process reengineering and business process management.

12. Competitive advantage refers to making higher profits.

Answer: False
Section Reference 1:Opening case
Difficulty: Easy
Learning Objective 1: LO 2.2 Differentiate between the terms business process reengineering and business process management.

13. The business environment refers to the industry that a company is in.

Answer: False
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

14. Globalization is the integration and interdependence of many facets of life made possible by rapid advances in information technology.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

15. The information technology environment is the combination of social, legal, economic, physical, and political factors that affect business activities.

Answer: False
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

16. In general, labor costs are higher in developed countries than in developing countries.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy

Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

17. Developed countries usually provide greater fringe benefits than developing countries.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

18. Information technology is facilitating the entry of a wide variety of employees into the workforce.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

19. Internet access in the United States is not particularly related to household income.

Answer: False
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

20. In general, government deregulation decreases competition.

Answer: False
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

21. Ethical issues are important because, if handled poorly, they can damage an organization's image.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy

Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

22. Build-to-stock is a strategy of producing customized products and services.

Answer: False
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

23. In mass production, a company produces a large quantity of identical items.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

24. In mass customization, companies produce items in large quantity, but they tailor the items to meet the desires and needs of individual customers.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

25. Customer intimacy is the process whereby a business learns as much as possible about its customers to better anticipate and address their needs.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

26. A growing IT initiative called green IT is enabling organizations to reduce their carbon footprint.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

27. The digital divide is the gap between data and knowledge.

Answer: False
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

28. The One Laptop per Child project aims to use technology to revolutionize how the world can educate its children.

Answer: True
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

29. Competitive advantage helps a company function effectively within a market and generate larger-than-average profits.

Answer: True
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

30. An information system that helps an organization gain a competitive advantage is called a competitive information system.

Answer: False
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

31. Every competitive organization is driven by the competitive forces identified by Michael Porter.

Answer: True
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
LO 2.4.1 Identify the five competitive forces described by Porter, and explain how the Web impacts each one.

32. Michael Porter concludes that the overall impact of the Internet is to increase competition, which generally diminishes a firm's profitability.

Answer: True
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
LO 2.4.1 Identify the five competitive forces described by Porter, and explain how the Web impacts each one.

33. The Internet increases traditional barriers to entry into a market.

Answer: False
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

34. The Internet decreases customers' bargaining power.

Answer: False
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

35. Information-based industries face the greatest threat from substitutes.

Answer: True
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

36. The music industry is a good example of the extremely low variable costs of digital products.

Answer: True
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

37. The introduction of the ATM in the banking industry is an example of the innovation strategy.

Answer: True

Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

38. An entry barrier is a long-term competitive advantage.

Answer: False
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

39. The bargaining power of suppliers is low when their buyers have many choices.

Answer: True
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

40. When there are many substitute products, a company can create a competitive advantage by increasing fees.

Answer: False
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

41. Porter's value chain model is a variation of his competitive advantage framework.

Answer: False
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

42. The primary activities in the value chain create the value for which customers are willing to pay.

Answer: True
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

43. It's a good idea for a company to select two competitive advantage strategies.

Answer: False
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

Question Type: Multiple Choice

44. Which of the following statements concerning business processes is false?
A. A process has inputs.
B. A process has outputs.
C. A process has activities that can be measured.
D. A process creates value.
E. A process cannot cross functional area boundaries.

Answer: E
Section reference 1: Business Processes
Difficulty: Easy
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

45. Applying copyrights and trademarks is an example of a(n):
A. Accounting business process
B. Finance business process
C. Marketing business process
D. Production business process
E. Management information systems business process

Answer: C
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

46. Reconciling bank accounts is an example of a(n):
A. Accounting Business Process
B. Finance Business Process
C. Marketing Business Process
D. Production Business Process
E. Management Information Systems Business Process

Answer: A

Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

47. Managing account collections is an example of a(n):
A. Accounting Business Process
B. Finance Business Process
C. Marketing Business Process
D. Production Business Process
E. Management Information Systems Business Process

Answer: B
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

48. Collecting sales tax is an example of a(n):
A. Accounting Business Process
B. Finance Business Process
C. Marketing Business Process
D. Production Business Process
E. Management Information Systems Business Process

Answer: C
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

49. Managing purchasing is an example of a(n):
A. Accounting Business Process
B. Finance Business Process
C. Marketing Business Process
D. Production Business Process
E. Management Information Systems Business Process

Answer: D
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

50. Managing pay and payroll is an example of a(n):
A. Accounting Business Process
B. Finance Business Process
C. Marketing Business Process
D. Human Resources Business Process
E. Management Information Systems Business Process

Answer: D
Section reference 1: Business Processes
Difficulty: Easy
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

51. Which of the following processes involves the warehouse, purchasing, and accounting functional areas?
A. Procurement
B. Fulfillment
C. Order entry
D. Accounts receivable
E. Payroll

Answer. A
Section reference 1: Business Processes
Difficulty: Easy
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

52. Which of the following processes involves the warehouse, sales, and accounting functional areas?
A. Procurement
B. Fulfillment
C. Order entry
D. Accounts Receivable
E. Payroll

Answer. B
Section reference 1: Business Processes
Difficulty: Easy
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

53. Which of the following is not a role that information systems play in businesses processes?
A. Establish standards
B. Execute the process
C. Capture and store process data
D. Monitor process performance
E. Detect problems with the process.

Answer: A
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

54. For many organizations, business process reengineering

A. Is easy to implement.
B. Is not disruptive to implement.
C. Has little impact on facilities.
D. Is inexpensive.
E. Has a major impact on the corporate culture.

Answer: E
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

55. Which of the following statements is false?
A. BPM is a task-oriented approach.
B. BPM can help companies reduce costs.
C. BPM can help companies increase revenue.
D. BPM can improve customer satisfaction.
E. BPM can improve organizational flexibility

Answer: A
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

56. Which of the following statements is false?
A. BPM begins with process modeling.
B. Process modeling is a graphical depiction of all the steps in a process.
C. BPM uses Web-enabled technologies for user interfaces.
D. Business activity monitoring is used to measure and manage business processes.
E. Business activity monitoring is a type of scheduled reporting.

Answer: E
Section reference 1: Business process reengineering and business process management
Difficulty: Medium
Learning Objective 1: LO 2.2 Differentiate between the terms business process reengineering and business process management.

57. Business pressures on organizations are created when there are changes in
A. Social factors
B. Economic factors
C. Legal factors
D. Political factors
E. Changes in all of the above will create business pressures.

Answer: E
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

58. Market pressures include which of the following?
A. the global economy
B. weak competition
C. a homogeneous workforce
D. weak customers
E. high-cost offshore labor

Answer: A
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

59. The workforce in developed countries is exhibiting all of the following trends except:
A. It is becoming more diversified.
B. It includes more women.
C. It includes more single parents.
D. It includes fewer persons with disabilities.
E. It includes more minority-group members.

Answer: D
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

60. Today's customers have _____ .
A. less knowledge about products
B. less sophistication
C. difficulty in finding information about products
D. higher expectations
E. difficulty in comparing prices

Answer: D
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

61. Which of the following statements concerning technology pressures on modern businesses is true?
A. Technology changes so rapidly that organizations should wait before they release new technology-based products.
B. New technologies offer alternative service options.
C. New technologies will never replace existing technologies.
D. The amount of information on the Internet remains stable from year to year.
E. The important information on the Internet is fee-based.

Answer: B
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

62. Which of the following is not an example of the growing initiative called *green IT*?
A. Designing an IT infrastructure to support sustainability.
B. Building systems that monitor carbon throughout the organization.
C. Asking vendors about compliance on environmental standards.
D. Building computer applications that use less energy
E. Designing energy-efficient data centers.

Answer: D
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

63. The digital divide is an example of which type of societal pressure?
A. social responsibility
B. government regulations
C. protection against terrorism
D. ethics
E. information overload

Answer: A
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

64. Which one of the following statements is false?
A. Businesses tend to view government regulations as expensive constraints on their activities.
B. Government deregulation reduces competition.
C. IT support is essential for compliance with many new regulations.
D. IT has been used to identify patterns of behavior associated with terrorist activities.

E. Information ethics can destroy the morale of a company's employees.

Answer: B
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

65. Which of the following is not a Section Reference 1 by organizations to business pressures?
A. Delay releases of innovated products.
B. Build strategic systems that enable an organization to increase market share or profits.
C. Provide tools that satisfy customers so they don't go to a competitor.
D. Manufacture customized goods at a lower cost.
E. Conduct business electronically with customers and business partners.

Answer: A
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Medium
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

66. Producing identical items in large quantities is called:
A. strategic systems.
B. customer focus.
C. continuous improvement.
D. mass production.
E. mass customization.

Answer: D
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

67. Producing customized items in large quantities is called:
A. strategic systems.
B. customer focus.
C. continuous improvement.
D. mass production.
E. mass customization.

Answer: E
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Easy

Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

68. The Bodymetrics body scanner is *best* characterized as an example of:
A. mass production.
B. customer focus.
C. real-time customer input.
D. mass customization.
E. continuous improvement.

Answer: D
Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Medium
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

69. Information-based industries are most susceptible to which one of Porter's five forces?
A. threat of entry of new competitors
B. bargaining power of suppliers
C. bargaining power of customers
D. threat of substitute products
E. rivalry among existing firms in an industry

Answer: D
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
LO 2.4.1 Identify the five competitive forces described by Porter, and explain how the Web impacts each one.

70. Competitive advantage for an organization manifests itself as all of the following except:
A. Lower costs
B. Higher quality
C. Increased time to market
D. Increased profits
E. Increased speed

Answer: C
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

71. For most companies, the Web _____ the threat that new competitors will enter the market by _____ traditional barriers to entry.
A. decreases, increasing
B. increases, decreasing
C. increases, increasing
D. decreases, decreasing

Answer: B
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

72. _____ is a feature that must be offered by a competing organization in order to survive in the marketplace.
A. Competitive advantage
B. An entry barrier
C. Strategic advantage
D. Rapid time-to-market
E. One-to-one marketing

Answer: B
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

73. The threat of competitors' entering the automobile manufacturing industry is _____ because barriers to entry are so _____.
A. low, low
B. high, high
C. high, low
D. low, high

Answer: D
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

74. The threat of competitors' entering a market is very high in industries that perform a(n) _____ role and in industries where the primary product or service is _____.
A. intermediation, physical
B. broker, physical

C. sales, financial
D. financial, digital
E. intermediation, digital

Answer: E
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Hard
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

75. How does the Internet affect the way you purchase your textbooks?
A. The Internet gives you fewer choices.
B. The Internet increases your bargaining power.
C. The Internet provides you with less information.
D. The Internet decreases your bargaining power.
E. The Internet increases your switching costs.

Answer: B
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

76. Buyer power is _____ when buyers have many choices from whom to buy and _____ when buyers have few choices.
A. high, the same
B. high, low
C. low, low
D. low, high
E. low, the same

Answer: B
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

77. The costs of delivering products in the _____ channel are much higher than delivering products in the _____ channel.
A. e-commerce, digital
B. digital, e-commerce
C. digital, physical
D. physical, financial
E. physical, digital

Answer: E
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

78. Porter's competitive forces model helps organizations identify _____, whereas his value chain model helps organizations identify specific _____.
A. competitive opportunities, activities
B. general strategies, activities
C. activities, competitive opportunities
D. activities, general strategies
E. primary activities, support activities

Answer: B
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
LO 2.4.1 Identify the five competitive forces described by Porter, and explain how the Web impacts each one.

79. _____ activities create value for which customers are willing to pay, whereas _____ activities do not add value directly to the firm's products or services.
A. Support, primary
B. Human resource management, inbound logistics
C. Procurement, operations
D. Primary, support
E. Accounting, outbound logistics

Answer: D
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

80. If there are _____ substitutes for an organization's products or services, then the threat of substitutes is _____.
A. many, high
B. few, low
C. few, high
D. many, low
E. few, negligible

Answer: A
Section Reference 1: Competitive Advantage and Strategic Information Systems

81. New technologies can produce new products very _____, which _____ the threat from substitute products.
A. slowly, decreases
B. slowly, increases
C. slowly, does not affect
D. quickly, increases
E. quickly, does not affect

Answer: D
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

82. The visibility of Internet applications on the Web makes proprietary systems more difficult to keep secret. This is an example of which of Porter's five forces?
A. threat of entry of new competitors
B. bargaining power of suppliers
C. bargaining power of customers
D. threat of substitute products
E. rivalry among existing firms in an industry

Answer: E
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
LO 2.4.1 Identify the five competitive forces described by Porter, and explain how the Web impacts each one.

83. Walmart's automatic replenishment system, which enables the company to reduce inventory storage requirements, is an example of which strategy for competitive advantage?
A. cost leadership
B. differentiation
C. innovation
D. operational effectiveness
E. customer-orientation

Answer: A
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium

Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

84. Which strategy for competitive advantage involves offering different products, services, or product features?
A. cost leadership
B. differentiation
C. innovation
D. operational effectiveness
E. customer-orientation

Answer: B
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

85. Which strategy for competitive advantage involves introducing new products and putting new features in existing products?
A. cost leadership
B. differentiation
C. innovation
D. operational effectiveness
E. customer-orientation

Answer: C
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

86. Which strategy for competitive advantage involves improving the manner in which an organization executes its internal business processes?
A. cost leadership
B. differentiation
C. innovation
D. operational effectiveness
E. customer-orientation

Answer: D
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Easy

87. When Amazon welcomes you by name back to its Web site on your second visit, it is employing which strategy for competitive advantage?
A. cost leadership
B. differentiation
C. innovation
D. operational effectiveness
E. customer-orientation

Answer: E
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

88. IT will impact managers' jobs in all of the following ways except:
A. managers will have time to get into the field
B. managers can spend more time planning
C. managers can spend more time "putting out fires"
D. managers can gather information more quickly
E. none of the above

Answer: C
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

89. Porter's _____ help(s) companies identify general strategies, whereas his _____ help(s) to identify specific activities where companies can use the strategies for greatest impact.
A. value chain model, competitive forces model
B. primary activities, support activities
C. competitive forces model, primary activities
D. competitive forces model, value chain model
E. value chain model, support activities

Answer: D
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
LO 2.4.1 Identify the five competitive forces described by Porter, and explain how the Web impacts each one.

90. Which of the following is not an example of business – IT alignment?
A. The company goals are clear to every IT and business employee.
B. The company ensures that IT employees understand how the company makes money.
C. The company views IT as a way to support the business but not as a way to create new revenue streams.
D. IT professionals rotate into business departments.
E. The company views customer service as extremely important.

Answer: C
Section Reference 1: Business-Information Technology Alignment
Difficulty: Medium
Learning Objective 1: LO 2.5 Define business-information technology alignment, and describe the characteristics of effective alignment.

91. Which of the following is not a cause of inadequate alignment between IT and business?
A. A lack of communication
B. Different objectives
C. Not understanding each group's expertise
D. Lack of IT knowledge on the part of the business executives
E. Lack of funds

Answer: E
Section Reference 1: Business-Information Technology Alignment
Difficulty: Medium
Learning Objective 1: LO 2.5 Define business-information technology alignment, and describe the characteristics of effective alignment.

92. Refer IT's About Business 2.1 – Sharing Bicycles. Alta's competitive advantage stems from the fact that
A. they have a unique product or service
B. they have un-replicable business model
C. they have a first mover advantage
D. they are the cost leader in their industry
E. none of the above

Answer: A
Section Reference 1: IT's About Business 2.1
Difficulty: Medium
LO 2.0 Provide a real-world application of how information systems can contribute to organizational strategies and competitive advantage.

93. Refer to IT's About Business 2.2 – Chevron: The changes over the past few years at Chevron were brought about by _____ and _____ at the company level and _____ at the local level.

A. BPI, BPM, BPR
B. BPR, BPI, BPM

C. BPM, Six Sigma, BPR
D. BPR, BPM and BPI

Answer: D
Section Reference 1: IT's About Business 2.2
Difficulty: Medium
Learning Objective 1: LO 2.2 Differentiate between the terms business process reengineering and business process management.

94. Refer to IT's About Business 2.3 – "Bring Your Own Device" Can Cause Problems: Hamilton Fraser's human resource department created an acceptable use policy for their employees' personal communication devices for the following reason:

A.   They didn't want their employees wasting time playing games on their iPhones
B.   They didn't want the corporate data to be accessible on mobile devices that were lost/misplaced
C. They wanted to monitor how their employees were spending their time
D. They didn't want their employees to use social media while working
E. They only wanted employees to use Android devices

Answer: B
Section Reference 1: IT's About Business 2.3
Difficulty: Medium
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

95. Refer to IT's About Business 2.4 – The Surui Tribe of the Amazon: The Surui Tribe's use of technology demonstrates how IT can be used to

A. to conserve natural resources
B. to prevent deforestation
C. to catch criminals
D. to create carbon off-sets
E. to create awareness about environmental problems

Answer: B
Section Reference 1: IT's About Business 2.4
Difficulty: Easy
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

96. Refer to IT's About Business 2.5 – Massachusetts Mutual Transforms Its Information Systems: What kind of transformation did Massachusetts Mutual Transforms undergo?
A. BPI
B. BPR
C. BPM

Answer: B
Section Reference 1: IT's About Business 2.5
Difficulty: Hard
Learning Objective 1: LO 2.3 List and provide examples of the three types of business
pressures, and describe one IT response to each.

97. Refer to Closing Case – IBM's Watson: IBM Watson differs from other information
systems' capabilities in the following manner:

A. it can store vast amounts of information
B. it can search through a large amount of information
C. it can process natural language commands
D. it can process large amounts of information in response to a query and assign
confidence measures to a set of possible solutions
E. it can selectively update information based on current trends on the Internet

Answer: D
Section Reference 1: Closing Case
Difficulty: Medium
LO 2.6 Summarize the fundamental concepts and skills related to developing
organizational strategies and competitive advantage.

Question Type: Short Answer

98. Identify the three types of business pressures, and explain how organizations can
use IT to respond to each one.

Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Medium
Learning Objective 1: LO 2.3 List and provide examples of the three types of business
pressures, and describe one IT response to each.

99. Using Porter's competitive forces model, contrast the bargaining power of suppliers
and the bargaining power of customers (buyers).

Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt
to counter the five competitive forces and achieve competitive advantage.

100. What are *switching costs,* and why would a company care about them?

Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt
to counter the five competitive forces and achieve competitive advantage.

101. Differentiate between Porter's competitive forces model and his value chain model.

Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
LO 2.4.1 Identify the five competitive forces described by Porter, and explain how the Web impacts each one.

102. Differentiate between primary activities and support activities in Porter's value chain model.

Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
LO 2.4.1 Identify the five competitive forces described by Porter, and explain how the Web impacts each one.
103. Evaluate the assertion that an information system by itself can rarely provide a sustainable competitive advantage.

Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

Question Type: Essay

104. Explain what a business environment is and what factors within the environment put pressure on the business.

Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Medium
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

105. Explain how changes in social responsibility, government regulation/deregulation, social programs, protection against terrorism, and ethics put pressure on modern businesses.

Section Reference 1: Business Pressures, Organizational Responses, and IT Support
Difficulty: Hard
Learning Objective 1: LO 2.3 List and provide examples of the three types of business pressures, and describe one IT response to each.

106. Identify the five forces of Porter's competitive forces model, and explain how the Internet impacts each one.

Section Reference 1: Competitive Advantage and Strategic Information Systems

107. Discuss why the variable cost of digital products is extremely low.

 108. Provide an example of each of the five strategies for competitive advantage. (Do
not use the examples provided in the book).

Question Type: Multiple Choice

109. Ted works in his family's bakery business. They supply bread and rolls to
neighboring restaurants, and have their own store-front where they sell breads, rolls,
pastries, cookies, and cupcakes. Ted thinks he should put free Wi-Fi in the store front
(which seats about 15 people). This idea reflects which one of Porter's five competitive
forces?
A. threat of entry of new competitors
B. bargaining power of suppliers
C. bargaining power of customers
D. threat of substitute products
E. rivalry among existing firms in an industry

Answer: E

110. Ted works in his family's bakery business. They supply bread and rolls to
neighboring restaurants, and they have their own store front where they sell breads,
rolls, pastries, cookies and cupcakes. Ted wants to start a Cookie Club that gives each
member (joining is free) a free cookie after they have purchased a dozen. This idea
Reflects which one of Porter's five competitive forces?
A. threat of entry of new competitors

B. bargaining power of suppliers
C. bargaining power of customers
D. threat of substitute products
E. rivalry among existing firms in an industry

Answer: C
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

111. Ted works in his family's bakery business. They supply bread and rolls to neighboring restaurants, and they have their own-store front where they sell breads, rolls, pastries, cookies and cupcakes. Ted wants to build a web site for the business that will allow customers to order cookies and cupcakes for later pickup. Is this idea
A. A strategic information system
B. In alignment with the business.
C. in support of a cost leadership strategy
D. likely to provide long term competitive advantage
E. a support activity within the value chain

Answer: B
Section Reference 1: Competitive Advantage and Strategic Information Systems
Difficulty: Medium
Learning Objective 1: LO 2.4.2 Describe the strategies that organizations typically adopt to counter the five competitive forces and achieve competitive advantage.

112. Hyo runs an ice cream store with her family. Which of the following activities is a part of their procurement process?
A. Recording their daily sales revenue
B. Sending an order to their sugar supplier
C. Making the ice cream
D. Setting up an employee schedule
E. Taking an order for an ice cream cake

Answer: B
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

113. Hyo runs an ice cream store with her family. Which of the following activities is a part of their procurement?
A. Send an order to a supplier.
B. Decide what to order.
C. Record daily sales revenue
D. Record goods received
E. Send a check to a supplier

Answer: C
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.

114. Hyo runs an ice cream store with her family. Which of the following activities is a part of their fulfillment process?
A. Receiving goods from their supplier
B. Making ice cream
C. Recording daily sales revenue
D. Recording goods received
E. Making a custom-order ice cream cake

Answer: E
Section reference 1: Business Processes
Difficulty: Medium
Learning Objective 1: LO 2.1 Understand the concept of business processes, and provide examples of business processes in the functional areas of an organization.