

Management Information Systems, Cdn. 6e (Laudon et al.)
Chapter 1 Information Systems in Global Business Today

1) Internet advertising is growing at a rate of more than 25 percent a year.

Answer: FALSE

Diff: 3 Type: TF Page Ref: 5

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

2) The cloud computing platform is a flexible collection of computers on the Internet designed to perform tasks traditionally performed on corporate computers.

Answer: TRUE

Diff: 1 Type: TF Page Ref: 6

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

3) Digital firms sense and respond to their environments far more rapidly than traditional firms, giving them more flexibility to survive in turbulent times.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 10

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

4) Information technology (IT) can be defined technically as a set of interrelated components that collect, process, store, and distribute information to support decision making and control in an organization.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 12

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

5) Private intranets extended to authorized users outside the organization are called intranets.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 17

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

6) The World Wide Web is the exact same thing as the Internet.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 17

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

7) As managers, most students will work for firms that are intensively using information systems and making large investments in information technology.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 5

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

8) Cell phones, BlackBerrys, iPhones, e-mail, and online conferencing over the Internet have not yet become essential tools of business.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 6

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

9) Supply chains have become more fast-paced, with companies of all sizes depending on just-in-time inventory to reduce their overhead costs and get to market faster.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 6

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

10) New industries appear, old ones decline, and successful firms are those that learn how to use the new technologies.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 10

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

11) Less powerful data analytics and interactive dashboards provide real-time performance information to managers to enhance management control and decision making.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 6

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

12) Managers adopt millions of mobile tools such as smartphones and mobile Internet devices to accelerate decision making and improve performance.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 6

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

13) Web 2.0 applications are not widely adopted by firms.

Answer: FALSE

Diff: 1 Type: TF Page Ref: 6

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

14) In 2005, journalist Thomas Friedman wrote an influential book declaring the world was now "flat," by which he meant that the Internet and global communications had greatly increased the economic and cultural advantages of developed countries.

Answer: FALSE

Diff: 1 Type: TF Page Ref: 7

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

15) In the past decade, Canada gained many manufacturing jobs from offshore, low-wage producers.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 7

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

16) The emergence of the Internet into a full-blown international communications system has drastically increased the costs of operating and transacting on a global scale.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 9

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

17) Middle management makes long-range strategic decisions about products and services and ensures the financial performance of the firm.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

18) Production or service workers actually produce the product and deliver the service.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

19) Business organizations are hierarchies consisting of three principal levels: senior management, middle management, and operational management.

Answer: TRUE

Diff: 1 Type: TF Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

20) Developing a new product, fulfilling an order, or hiring a new employee are examples of business processes.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

21) Recent research on business information technology investment indicates that firms that support their technology investments with investments in complementary assets receive superior returns.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 21

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

22) The value of investments in information technology depends to a large extent on complementary investments in management and organization.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 21

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

23) The study of information systems is a single disciplinary field.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 23

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

24) Issues such as strategic business integration, design, implementation, utilization, and management are explored fully with the models used in the technical approach.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 23

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

25) The study of management information systems (MIS) arose to focus on the use of computer-based information systems in business firms and government agencies.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 24

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

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

Answer: TRUE

Diff: 1 Type: TF Page Ref: 9

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

27) A fully digital firm produces only digital goods or services.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 9

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

28) A business model describes how a company produces, delivers, and sells a product or service to create wealth.

Answer: TRUE

Diff: 1 Type: TF Page Ref: 11

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

29) Information technology (IT) consists of all the hardware that a firm needs to use in order to achieve its business objectives, whereas information systems consist of all the software and business processes needed.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 12

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

30) Computers are only part of an information system.

Answer: TRUE

Diff: 1 Type: TF Page Ref: 12

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

31) Information systems literacy describes the behavioural approach to information systems, whereas computer literacy describes the technical approach.

Answer: FALSE

Diff: 1 Type: TF Page Ref: 12

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

32) The dimensions of information systems are management, organizations, and information technology.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 14

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

33) Knowledge workers assist with paperwork at all levels of the firm.

Answer: FALSE

Diff: 1 Type: TF Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

34) In order to understand how a specific business firm uses information systems, you need to know something about the hierarchy and culture of the company.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 15

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

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

Answer: FALSE

Diff: 2 Type: TF Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

36) There are four major business functions: sales and marketing; manufacturing and production; finance and accounting; and information technology.

Answer: FALSE

Diff: 1 Type: TF Page Ref: 16

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

37) A network requires at least two computers and a shared resource, such as a printer.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 17

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

38) A substantial part of management responsibility is creative work driven by new knowledge and information.

Answer: TRUE

Diff: 1 Type: TF Page Ref: 16

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

39) Intranets allow firms to work easily with third-party suppliers and vendors.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 17

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

40) An IT infrastructure provides the platform on which the firm can build its information systems.

Answer: TRUE

Diff: 1 Type: TF Page Ref: 18

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

41) UPS's use of Web-based tools that allow customers to embed UPS functions such as tracking and cost calculations into their own Web sites was an information systems solution used to achieve customer intimacy.

Answer: TRUE

Diff: 3 Type: TF Page Ref: 19

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

42) Government and private-sector standards are examples of complementary social assets required to optimize returns from IT investments.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 22

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

43) A firm that invests in efficient business processes is making an investment in organizational complementary assets.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 22

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

44) In the behavioural approach to information systems, technology is ignored in favour of understanding the psychological, social, and economic impacts of systems.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 23

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

45) The Canadian Wheat Board (CWB) is responsible for producing all wheat and barley grown in western Canada.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 2

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

46) In 2010, Canadian businesses will spend over \$562 billion on information systems hardware, software, and telecommunications equipment.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 4

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

47) As newspaper readership continues to increase, more and more people receive their news online.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 5

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

48) Businesses are starting to use social networking tools to connect their employees, customers, and managers worldwide.

Answer: TRUE

Diff: 2 Type: TF Page Ref: 5

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

- 49) Major business applications are now delivered online as an Internet service rather than as boxed software or custom systems.
Answer: TRUE
Diff: 2 Type: TF Page Ref: 5
AACSB: Reflective thinking skills
CASE: Content
A-level Heading: 1.1 The Role of Information Systems in Business Today
- 50) A mobile digital platform cannot compete with the PC as a business system.
Answer: FALSE
Diff: 2 Type: TF Page Ref: 6
AACSB: Reflective thinking skills
CASE: Content
A-level Heading: 1.1 The Role of Information Systems in Business Today
- 51) The strength of cloud computing and the growth of the mobile digital platform allow organizations to rely more on telework, remote work, and distributed decision making.
Answer: TRUE
Diff: 2 Type: TF Page Ref: 6
AACSB: Reflective thinking skills
CASE: Content
A-level Heading: 1.1 The Role of Information Systems in Business Today
- 52) The smartphone has been called the "Swiss Army knife of the digital age."
Answer: TRUE
Diff: 2 Type: TF Page Ref: 6
AACSB: Reflective thinking skills
CASE: Content
A-level Heading: 1.1 The Role of Information Systems in Business Today
- 53) A declining percentage of the economy of North America and other advanced industrial countries in Europe and Asia depends on imports and exports.
Answer: FALSE
Diff: 2 Type: TF Page Ref: 7
AACSB: Reflective thinking skills
CASE: Content
A-level Heading: 1.1 The Role of Information Systems in Business Today
- 54) Information systems contain information about significant people, places, and things within the organization or in the environment surrounding it.
Answer: TRUE
Diff: 2 Type: TF Page Ref: 13
AACSB: Reflective thinking skills
CASE: Content
A-level Heading: 1.2 Perspectives on Information Systems

55) Information systems literacy, in contrast, focuses primarily on knowledge of information technology.

Answer: FALSE

Diff: 2 Type: TF Page Ref: 13

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

56) The six important business objectives of information technology are new products, services, and business models; customer and supplier intimacy; survival; competitive advantage; operational excellence; and improved _____.

A) flexibility

B) decision making

C) business practices

D) efficiency

Answer: B

Diff: 1 Type: MC Page Ref: 10

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

57) _____ refer to the set of logically related tasks and behaviours that organizations develop over time to produce specific business results and the unique manner in which these activities are organized and coordinated.

A) Business processes

B) Digital firms

C) Virtual meetings

D) Value chains

Answer: A

Diff: 2 Type: MC Page Ref: 9

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

58) You work for a door manufacturer in eastern Canada. You have just developed a new method generating and fulfilling an order for doors that will be exported. This is an example of a _____, which you might use as a competitive advantage.

A) business process

B) digital firm

C) virtual meeting

D) value chain

Answer: A

Diff: 2 Type: MC Page Ref: 9

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

59) Jean works for a food processing company. His firm ships products all over the world. As a result, Jean must be available at all hours of the day or night to communicate with clients. The way in which Jean works is referred to as _____ shifting.

- A) space
- B) time
- C) digital
- D) process

Answer: B

Diff: 2 Type: MC Page Ref: 10

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

60) Margo works for a national consulting firm. Her work takes place at the client's workplace. Currently she has clients in both Montreal and France. The way in which Jean works is referred to as _____ shifting.

- A) process
- B) time
- C) digital
- D) space

Answer: D

Diff: 2 Type: MC Page Ref: 10

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

61) James is under a lot of pressure as the Christmas season approaches. James works for a Christmas tree distributor. He is currently looking to hire, train, and retain employees to make sure that his firm can meet all manufacturing and sales of this busy season for his firm. James works in which function in his organization?

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

Answer: D

Diff: 2 Type: MC Page Ref: 16

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

62) Bruce is organizing the immense amount of data that his firm collects in their customer relationship management system. He wants to be able to manipulate this information so that they can determine who their best customers are. Bruce will want to utilize _____, in order to accomplish this task.

- A) computer hardware
- B) computer software
- C) data management technology
- D) change management

Answer: C

Diff: 2 Type: MC Page Ref: 17

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

63) Jacob is a mid-level manager in his insurance firm. He works in an office with 10 other insurance agents. Jacob is assigned the task to determine which word processor all of the office should adopt. He is dealing with a decision about _____.

- A) computer hardware
- B) computer software
- C) data management technology
- D) change management

Answer: B

Diff: 1 Type: MC Page Ref: 17

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

64) The Canadian government has been investing heavily in information systems education programs across all of the colleges of Canada. This is an example of a(n) _____ investment.

- A) social
- B) organizational
- C) business model
- D) managerial asset

Answer: A

Diff: 3 Type: MC Page Ref: 22

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

65) A national fast-food company has analyzed their business processes. They have decided to centralize all food preparation in a central food plant and then ship the products to their stores across Canada for reheating before serving the client. This new business process is an example of a(n) _____ investment.

- A) social
- B) organizational
- C) business model
- D) managerial asset

Answer: B

Diff: 3 Type: MC Page Ref: 22

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

66) Mary has just graduated from university with a degree in operations research. Based on her education, Mary would be a good fit with a firm that sees information systems in primarily a _____ approach.

- A) technical
- B) behavioural
- C) sociotechnical
- D) liberal arts

Answer: A

Diff: 3 Type: MC Page Ref: 23

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

67) Mario has just graduated from university with a degree in economics. Based on his education, Mario would be a good fit with a firm that sees information systems in primarily a _____ approach.

- A) technical
- B) behavioural
- C) sociotechnical
- D) liberal arts

Answer: B

Diff: 3 Type: MC Page Ref: 23

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

68) Robert has just graduated from university with a dual degree in economics and computer science. Based on his education, Robert would be a good fit with a firm that sees information systems in primarily a _____ approach.

- A) technical
- B) behavioural
- C) sociotechnical
- D) liberal arts

Answer: C

Diff: 3 Type: MC Page Ref: 24

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

69) In the past decade, Canada lost many manufacturing jobs to offshore, low-wage producers. But manufacturing is _____ part of Canadian employment business processes and digital systems.

- A) the biggest
- B) still a large
- C) a growing
- D) now a very small

Answer: D

Diff: 2 Type: MC Page Ref: 7

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

70) The use of information systems because of necessity describes the business objective of

- A) survival.
- B) improved business practices.
- C) competitive advantage.
- D) improved flexibility.

Answer: A

Diff: 2 Type: MC Page Ref: 12

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

71) Trimac's implementation of a Web-based digital dashboard to provide managers with real-time information such as customer complaints is an example of

- A) improved flexibility.
- B) improved decision making.
- C) improved efficiency.
- D) customer and supplier intimacy.

Answer: B

Diff: 2 Type: MC Page Ref: 12

AACSB: Use of information technology

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

72) The move of retail banking to use ATMs after Citibank unveiled its first ATMs illustrates the use of information systems to achieve which business objective?

- A) improved efficiency
- B) customer and supplier intimacy
- C) survival
- D) competitive advantage

Answer: C

Diff: 2 Type: MC Page Ref: 12

AACSB: Use of information technology

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

73) An information system can be defined technically as a set of interrelated components that collect, process, store, and distribute information to support

- A) decision making and control in an organization.
- B) communications and data flow.
- C) managers analyzing the organization's raw data.
- D) the creation of new products and services.

Answer: A

Diff: 2 Type: MC Page Ref: 12

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

74) The three activities in an information system that produce the information organizations use to control operations are

- A) information retrieval, research, and analysis.
- B) input, output, and feedback.
- C) input, processing, and output.
- D) data analysis, processing, and feedback.

Answer: C

Diff: 1 Type: MC Page Ref: 13

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

75) Order data for baseball tickets and bar code data are examples of

- A) raw input.
- B) raw output.
- C) customer and product data.
- D) sales information.

Answer: A

Diff: 1 Type: MC Page Ref: 13

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

76) The average number of tickets sold daily online is an example of

- A) input.
- B) raw data.
- C) meaningful information.
- D) feedback.

Answer: C

Diff: 1 Type: MC Page Ref: 13

AACSB: Use of information technology

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

77) Output

- A) is feedback that has been processed to create meaningful information.
- B) is information that is returned to appropriate members of the organization to help them evaluate the input stage.
- C) transfers data to the people who will use it or to the activities for which it will be used.
- D) transfers processed information to the people who will use it or to the activities for which it will be used.

Answer: D

Diff: 1 Type: MC Page Ref: 13

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

78) Converting raw data into a more meaningful form is called

- A) capturing.
- B) processing.
- C) organizing.
- D) feedback.

Answer: B

Diff: 1 Type: MC Page Ref: 13

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

79) An example of raw data from a national chain of automobile stores would be

- A) that an average of 13 Toyotas are sold daily in Kentucky.
- B) a 30 percent increase in Toyota RAV4 sales during September in Kentucky.
- C) 1 Toyota RAV4 sold March 3, 2008 in Louisville, Kentucky.
- D) all of the above.

Answer: C

Diff: 3 Type: MC Page Ref: 13

AACSB: Use of information technology

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

80) The field that deals with behavioural issues as well as technical issues surrounding the development, use, and impact of information systems used by managers and employees in the firm is called

- A) information systems literacy.
- B) information systems architecture.
- C) management information systems.
- D) information technology infrastructure.

Answer: C

Diff: 2 Type: MC Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

81) In a hierarchical organization, the upper levels consist of

- A) managerial and professional employees.
- B) managerial, professional, and technical employees.
- C) professional and operational employees.
- D) managerial, professional, and operational employees.

Answer: B

Diff: 2 Type: MC Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

82) The fundamental set of assumptions, values, and ways of doing things that has been accepted by most of a company's members is called its

- A) culture.
- B) environment.
- C) atmosphere.
- D) values.

Answer: A

Diff: 1 Type: MC Page Ref: 16

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

83) Thomas Friedman's declaration that the world was now "flat" meant that

- A) the Internet has reduced the economic advantages of developed countries.
- B) globalization is starting to offer less advantage to large corporations.
- C) the global economy is increasingly commanded by fewer and larger corporations.
- D) global capitalism is homogenizing culture and business practices throughout the world.

Answer: A

Diff: 1 Type: MC Page Ref: 7

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

84) Data management technology consists of the

- A) physical hardware and media used by an organization for storing data.
- B) detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.
- C) software governing the organization of data on physical storage media.
- D) hardware and software used to transfer data.

Answer: C

Diff: 2 Type: MC Page Ref: 17

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

85) The hardware and software used to transfer data in an organization is called

- A) data management technology.
- B) networking and data management technology.
- C) data and telecommunications technology.
- D) networking and telecommunications technology.

Answer: D

Diff: 2 Type: MC Page Ref: 17

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

86) Networking and telecommunications technologies, along with computer hardware, software, data management technology, and the people required to run and manage them, constitute an organization's

- A) data management environment.
- B) networked environment.
- C) IT infrastructure.
- D) information system.

Answer: C

Diff: 2 Type: MC Page Ref: 17

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

87) An example of a business using information systems to create new products and services is

- A) Walmart's RetailLink system.
- B) the Mandarin Oriental hotel's customer-preference tracking system.
- C) Verizon's Web-based digital dashboard.
- D) Apple Inc.'s iPod.

Answer: D

Diff: 3 Type: MC Page Ref: 11

AACSB: Use of information technology

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

88) An example of a business using information systems to attain operational excellence is

- A) Walmart's RetailLink system.
- B) the Mandarin Oriental hotel's customer-preference tracking system.
- C) Verizon's Web-based digital dashboard.
- D) Apple Inc.'s iPod.

Answer: A

Diff: 3 Type: MC Page Ref: 10

AACSB: Use of information technology

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

89) An example of a business using information systems for customer and supplier intimacy is

- A) Walmart's RetailLink system.
- B) the Mandarin Oriental hotel's customer-preference tracking system.
- C) Verizon's Web-based digital dashboard.
- D) Apple Inc.'s iPod.

Answer: B

Diff: 2 Type: MC Page Ref: 11

AACSB: Use of information technology

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

90) Maintaining the organization's financial records is a central purpose of which main business function?

- A) manufacturing and accounting
- B) finance and accounting
- C) sales and manufacturing
- D) finance and sales

Answer: B

Diff: 1 Type: MC Page Ref: 16

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

91) In a business hierarchy, the level responsible for monitoring the daily activities of the business is

- A) middle management.
- B) service workers.
- C) production management.
- D) operational management.

Answer: D

Diff: 2 Type: MC Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

92) Which of the following are environmental actors that interact with an organization and its information systems?

- A) customers
- B) suppliers
- C) regulatory agencies
- D) all of the above

Answer: D

Diff: 2 Type: MC Page Ref: 14

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

93) From a business perspective, raw data is transformed systematically during various stages, transforming it into valuable information, in a process called

- A) the information value chain.
- B) the IT value chain.
- C) information processing.
- D) feedback.

Answer: A

Diff: 2 Type: MC Page Ref: 20

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

94) A corporation that funds a political action committee, which in turn promotes and funds a political candidate who agrees with the values of that corporation, could be seen as investing in which main category of complementary assets?

- A) managerial
- B) governmental
- C) social
- D) organizational

Answer: C

Diff: 2 Type: MC Page Ref: 22

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

95) Apple Computer dominates the online legal music sales industry primarily because of a failure of recording label companies to

- A) invest in technology.
- B) adopt a new business model.
- C) invest in complementary assets.
- D) modernize their information value chain.

Answer: B

Diff: 2 Type: MC Page Ref: 21

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

96) An example of an organizational complementary asset is

- A) using the appropriate business model.
- B) a collaborative work environment.
- C) laws and regulations.
- D) all of the above.

Answer: A

Diff: 2 Type: MC Page Ref: 21

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

97) An example of a social complementary asset is

- A) technology and service firms in adjacent markets.
- B) training programmes.
- C) distributed decision-making rights.
- D) all of the above.

Answer: A

Diff: 2 Type: MC Page Ref: 21

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

98) Disciplines that contribute to the technical approach to information systems are:

- A) computer science, engineering, and networking.
- B) operations research, management science, and computer science.
- C) engineering, utilization management, and computer science.
- D) management science, computer science, and engineering.

Answer: B

Diff: 3 Type: MC Page Ref: 23

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

99) The discipline that focuses on mathematical techniques for optimizing parameters of organizations, such as transportation and inventory control, is

- A) management science.
- B) MIS.
- C) operations research.
- D) utilization management.

Answer: C

Diff: 3 Type: MC Page Ref: 23

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

- 100) Sociologists study information systems with an eye to understanding
- A) how systems affect individuals, groups, and organizations.
 - B) how human decision makers perceive and use formal information.
 - C) how new information systems change the control and cost structures within the firm.
 - D) the production of digital goods.

Answer: A

Diff: 2 Type: MC Page Ref: 24

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

- 101) Psychologists study information systems with an eye to understanding
- A) how systems affect individuals, groups, and organizations.
 - B) how human decision makers perceive and use formal information.
 - C) how new information systems change the control and cost structures within the firm.
 - D) the production of digital goods.

Answer: B

Diff: 2 Type: MC Page Ref: 24

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

- 102) The costs for firms operating on a global scale have been drastically reduced by
- A) networking technology.
 - B) investments in organizational complementary assets.
 - C) the Internet.
 - D) the rise of digital content.

Answer: C

Diff: 2 Type: MC Page Ref: 9

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

- 103) Which of the following are key corporate assets?
- A) intellectual property, core competencies, and financial and human assets
 - B) production technologies and business processes for sales, marketing, and finance
 - C) knowledge and the firm's tangible assets, such as goods or services
 - D) time and knowledge

Answer: A

Diff: 3 Type: MC Page Ref: 10

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

104) Overproduction or underproduction of goods and services, misallocation of resources, and poor response times are the results of a firm's having

- A) poor relationships with suppliers.
- B) poor relationships with customers.
- C) inadequate information.
- D) a surplus of information.

Answer: C

Diff: 3 Type: MC Page Ref: 12

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

105) A firm that must invest in new information systems capabilities in order to comply with federal legislation can be said to be investing to achieve which business objective?

- A) customer intimacy
- B) operational excellence
- C) survival
- D) improved reporting

Answer: C

Diff: 2 Type: MC Page Ref: 12

AACSB: Use of information technology

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

106) Which of the following would NOT be used as an input for an information system?

- A) digital dashboard
- B) handheld computer
- C) bar-code scanner
- D) cell phone

Answer: A

Diff: 2 Type: MC Page Ref: 12

AACSB: Use of information technology

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

107) Which field of study focuses on both a behavioural and technical understanding of information systems?

- A) sociology
- B) operations research
- C) economics
- D) management information systems

Answer: D

Diff: 2 Type: MC Page Ref: 23

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

108) The three principle levels within a business organization hierarchy are
A) senior management, operational management, and service workers.
B) senior management, middle management, and operational management.
C) senior management, operational management, and information systems.
D) senior management, middle management, and service workers.

Answer: B

Diff: 3 Type: MC Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

109) Engineers, scientists, or architects, who design new products or services for a firm, belong to which level of a business hierarchy?

- A) middle management
- B) production workers
- C) knowledge workers
- D) data workers

Answer: C

Diff: 2 Type: MC Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

110) Which main business function is responsible for maintaining employee records?

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

Answer: B

Diff: 1 Type: MC Page Ref: 16

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

111) Which of the following constitutes an organizational element in the UPS tracking system described in the chapter?

- A) the specification of procedures for identifying packages with sender and recipient information
- B) monitoring service levels
- C) promoting the company strategy of low-cost, superior service
- D) the use of handheld computers and networks for managing package delivery

Answer: A

Diff: 3 Type: MC Page Ref: 19

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

112) A managerial element in the UPS tracking system described in the chapter is

- A) taking inventory.
- B) providing package status reports to customers.
- C) the decision to use automation.
- D) in-house package tracking software.

Answer: C

Diff: 2 Type: MC Page Ref: 19

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

113) Changes in strategy, rules, and business processes increasingly require changes in _____.

- A) culture, software, databases, and telecommunications.
- B) hardware, software, databases, and culture.
- C) hardware, software, databases, and telecommunications.
- D) hardware, culture, databases, and telecommunications.

Answer: C

Diff: 2 Type: MC Page Ref: 11

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.1 The Role of Information Systems in Business Today

114) Changes in _____ increasingly require changes in hardware, software, databases, and telecommunications.

- A) strategy, rules, and business models
- B) models, rules, and business hardware,
- C) strategy, rules, and business processes
- D) models, rules, and business processes

Answer: C

Diff: 2 Type: MC Page Ref: 11

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.1 The Role of Information Systems in Business Today

115) Information technology (IT) consists of all the _____ that a firm needs to use in order to achieve its business objectives.

- A) information and software
- B) hardware and business processes
- C) hardware and software
- D) business processes and software

Answer: C

Diff: 2 Type: MC Page Ref: 12

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

116) _____ is the physical equipment used for input, processing, and output activities in an information system.

- A) Computer hardware
- B) Computer software
- C) Data management technology
- D) A network

Answer: A

Diff: 2 Type: MC Page Ref: 17

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

117) _____ assets are those assets required to derive value from a primary investment.

- A) Complementary
- B) Liquid
- C) Current
- D) Primary

Answer: A

Diff: 2 Type: MC Page Ref: 21

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

118) Investments in organization and management are also known as _____ capital.

- A) cultural and management
- B) organizational and management
- C) organizational and technical
- D) technical and management

Answer: B

Diff: 2 Type: MC Page Ref: 22

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

119) John works on the assembly line at Ford Motor Company. He is an example of _____, who actually produces the product and delivers the service.

- A) a data worker
- B) a service worker
- C) a knowledge worker
- D) middle management

Answer: B

Diff: 2 Type: MC Page Ref: 15

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

120) Helen works as executive secretary for the V.P. of Research at Ford Motor Company. She is an example of _____, who assists with scheduling and communications at all levels of the firm.

- A) a data worker
- B) a service workers
- C) a knowledge worker
- D) middle management

Answer: A

Diff: 2 Type: MC Page Ref: 15

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

121) Barbara works as an engineer at Ford Motor Company. She is an example of _____, who designs products or services and creates new knowledge for the firm.

- A) a data worker
- B) a service worker
- C) a knowledge worker
- D) middle management

Answer: C

Diff: 2 Type: MC Page Ref: 15

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

122) Danille works as a V.P. at Ford Motor Company. She is an example of _____, who makes long-range strategic decisions about products and services as well as ensuring financial performance of the firm.

- A) a data worker
- B) a service worker
- C) senior management
- D) middle management

Answer: C

Diff: 2 Type: MC Page Ref: 15

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

123) The decision to develop or maintain an information system assumes that the returns on this investment will be _____ to other investments in buildings, machines, or other assets.

- A) less than
- B) equal
- C) superior
- D) similar

Answer: C

Diff: 2 Type: MC Page Ref: 15

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

124) "Supportive organizational culture that values efficiency and effectiveness" is an example of _____ assets.

- A) organizational
- B) managerial
- C) social
- D) technology

Answer: A

Diff: 2 Type: MC Page Ref: 22

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

125) "Teamwork and collaborative work environments" is an example of _____ assets.

- A) organizational
- B) managerial
- C) social
- D) technology

Answer: B

Diff: 2 Type: MC Page Ref: 22

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

126) "Technology and service firms in adjacent markets to assist implementation" is an example of _____ assets.

- A) organizational
- B) managerial
- C) social
- D) technology

Answer: C

Diff: 2 Type: MC Page Ref: 22

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

127) "IT-enriched educational programs raising labour force computer literacy" is an example of _____ assets.

- A) organizational
- B) managerial
- C) social
- D) technology

Answer: C

Diff: 2 Type: MC Page Ref: 22

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

128) _____ is data that has been shaped into a form that is meaningful to human beings.

Answer: Information

Diff: 1 Type: SA Page Ref: 13

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

129) A _____ is one in which nearly all of the organization's significant business relationships with customers, suppliers, and employees are digitally enabled and mediated.

Answer: digital firm

Diff: 2 Type: SA Page Ref: 9

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

130) A _____ describes how a company produces, delivers, and sells a product or service to create wealth.

Answer: business model

Diff: 2 Type: SA Page Ref: 11

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

131) Adopting a _____ systems perspective helps to avoid a purely technological approach to information systems.

Answer: sociotechnical

Diff: 2 Type: SA Page Ref: 24

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

132) The _____ to information systems emphasizes mathematically based models to study information systems as well as the physical technology and formal capabilities of these systems.

Answer: technical approach

Diff: 2 Type: SA Page Ref: 23

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

133) _____ are those assets required to derive value from a primary investment

Answer: Complementary assets

Diff: 2 Type: SA Page Ref: 21

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

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

Answer: Feedback

Diff: 2 Type: SA Page Ref: 13

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

135) As managers, most of you will work for firms that are intensively using _____ systems and making large investments in information technology.

Answer: information

Diff: 2 Type: SA Page Ref: 5

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

136) Managers routinely use so-called _____ technologies such as social networking, collaboration tools, and wikis in order to make better, faster decisions.

Answer: "Web 2.0"

Diff: 2 Type: SA Page Ref: 6

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

137) _____ spaces are where employees meet one another, even when they are separated by continents and time zones.

Answer: Collaboration

Diff: 2 Type: SA Page Ref: 6

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

138) A growing percentage of the economy of North America and other advanced industrial countries in Europe and Asia depends on _____ and _____.

Answer: imports; exports

Diff: 2 Type: SA Page Ref: 7

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

139) Canada lost many _____ jobs to offshore, low-wage producers.

Answer: manufacturing

Diff: 2 Type: SA Page Ref: 7

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

140) Firms producing goods and services on a global scale achieve extraordinary _____ by finding low-cost suppliers and managing production facilities in other countries.

Answer: cost reductions

Diff: 2 Type: SA Page Ref: 9

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

141) _____ firms sense and respond to their environments far more rapidly than traditional firms, giving them more flexibility to survive in turbulent times.

Answer: Digital

Diff: 2 Type: SA Page Ref: 9

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

142) Information systems and technologies have made it possible for managers to use _____ data from the marketplace when making decisions.

Answer: real-time

Diff: 2 Type: SA Page Ref: 12

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

143) _____ consists of all the hardware and software that a firm needs to use in order to achieve its business objectives.

Answer: Information technology (IT)

Diff: 2 Type: SA Page Ref: 12

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

144) "Information systems" are more complex and can be best be understood by looking at them from both a _____ and a _____ perspective.

Answer: technology, business.

Diff: 2 Type: SA Page Ref: 12

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

145) By _____, we mean data that have been shaped into a form that is meaningful and useful to humans.

Answer: information

Diff: 2 Type: SA Page Ref: 13

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

146) _____ converts this raw input into a meaningful form.

Answer: Processing

Diff: 2 Type: SA Page Ref: 13

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

147) _____ provide the equipment for storing and processing information.

Answer: Computers

Diff: 2 Type: SA Page Ref: 13

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

148) _____, in contrast, focuses primarily on knowledge of information technology.

Answer: Computer literacy

Diff: 2 Type: SA Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

149) The key elements of an _____ are its people, structure, business processes, politics, and culture.

Answer: organization

Diff: 2 Type: SA Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

150) _____ carries out the programs and plans of senior management.

Answer: Middle management

Diff: 2 Type: SA Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

151) _____ job is to make sense out of the many situations faced by organizations, make decisions, and formulate action plans to solve organizational problems.

Answer: Management's

Diff: 2 Type: SA Page Ref: 16

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

152) _____ is the physical equipment used for input, processing, and output activities in an information system.

Answer: Computer hardware

Diff: 2 Type: SA Page Ref: 16

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

153) _____ technology consists of the software governing the organization of data on physical storage media.

Answer: Data management

Diff: 2 Type: SA Page Ref: 17

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

154) Managers and business firms invest in information technology and systems because they provide real _____ value to the business.

Answer: economic

Diff: 2 Type: SA Page Ref: 19

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

155) Some firms fail to adopt the right _____ that suits the new technology or seek to preserve an old business model that is doomed by new technology.

Answer: business model

Diff: 2 Type: SA Page Ref: 21

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

156) The value of investments in information technology depends to a large extent on _____ investments in management and organization.

Answer: complementary

Diff: 2 Type: SA Page Ref: 21

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

157) Important managerial complementary assets are strong _____ management support for change, incentive systems that monitor and reward individual innovation.

Answer: senior

Diff: 2 Type: SA Page Ref: 22

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

158) Important _____ investments, such as the Internet and the supporting Internet culture, educational systems, network and computing standards, regulations and laws, and the presence of technology and service firms, are important.

Answer: social

Diff: 2 Type: SA Page Ref: 22

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

159) The disciplines that contribute to the _____ approach are computer science, management science, and operations research.

Answer: technical

Diff: 2 Type: SA Page Ref: 23

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

160) _____ research focuses on mathematical techniques for optimizing selected parameters of organizations, such as transportation, inventory control, and transaction costs.

Answer: Operations

Diff: 2 Type: SA Page Ref: 23

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

161) _____ is a global network that uses universal standards to connect millions of different networks around the world.

Answer: The Internet

Diff: 1 Type: SA Page Ref: 17

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

162) Computer _____ consists of the detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.

Answer: software

Diff: 1 Type: SA Page Ref: 17

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

163) The _____ is a service provided by the Internet that uses universally accepted standards for storing, retrieving, formatting, and displaying information in a page format.

Answer: World Wide Web/Web/WWW

Diff: 1 Type: SA Page Ref: 17

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

164) _____ are private corporate networks extended to authorized users outside the organization.

Answer: Extranets

Diff: 1 Type: SA Page Ref: 17

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

165) The key elements of an organization are its people, structure, business processes, politics, and _____.

Answer: culture

Diff: 2 Type: SA Page Ref: 16

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

166) In a(n) _____ perspective, the performance of a system is optimized when both the technology and the organization mutually adjust to one another until a satisfactory fit is obtained.

Answer: sociotechnical

Diff: 2 Type: SA Page Ref: 24

AACSB: Use of information technology

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

167) _____ makes long-range strategic decisions about the firm's products and services.

Answer: Senior management

Diff: 2 Type: SA Page Ref: 15

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

168) Investments in organization and management, such as investments in new business models and training, are also known as _____.

Answer: organizational and management capital

Diff: 2 Type: SA Page Ref: 16

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

169) The _____ approach does not ignore technology.

Answer: behavioural

Diff: 2 Type: SA Page Ref: 23

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

170) The study of _____ arose in the 1970s to focus on the use of computer-based information systems in business firms and government agencies.

Answer: management information systems (MIS)

Diff: 2 Type: SA Page Ref: 24

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

171) MIS combines the work of computer science, management science, and operations research with a practical orientation toward developing _____ solutions to real-world problems and managing information technology resources.

Answer: system

Diff: 2 Type: SA Page Ref: 22

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

172) Adopting a _____ systems perspective helps to avoid a purely technological approach to information systems.

Answer: sociotechnical

Diff: 2 Type: SA Page Ref: 24

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

173) _____ and individuals must also be changed through training, learning, and planned organizational change to allow the technology to operate and prosper.

Answer: Organizations

Diff: 2 Type: SA Page Ref: 24

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

174) Core _____ are accomplished through digital networks spanning the entire organization or linking multiple organizations.

Answer: business processes

Diff: 2 Type: SA Page Ref: 9

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

175) A few firms, such as Cisco Systems and Dell Computers, are close to becoming _____ firms, using the Internet to drive every aspect of their business.

Answer: digital

Diff: 2 Type: SA Page Ref: 10

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

176) As newspaper readership continues to _____, more and more people receive their news online.

Answer: decline

Diff: 2 Type: SA Page Ref: 5

AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

177) The strength of _____ computing and the growth of the mobile digital platform allow organizations to rely more on telework, remote work, and distributed decision making.

Answer: cloud

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

178) The _____ has been called the "Swiss Army knife of the digital age."

Answer: smartphone

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

179) The Apple _____ is also emerging as a business tool for Web-based note-taking, file sharing, word processing, and number-crunching.

Answer: iPad

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.1 The Role of Information Systems in Business Today

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

Answer: Information

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

181) MIS deals with _____ issues as well as technical issues surrounding the development, use, and impact of information systems used by managers and employees in the firm.

Answer: behavioural

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

182) A _____ links two or more computers to share data or resources, such as a printer.

Answer: network

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

183) _____ are those assets required to derive value from a primary investment.

Answer: Complementary assets

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

184) Investments in organization and management are also known as _____ capital.

Answer: organizational and management.

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.2 Perspectives on Information Systems

185) The study of information systems is a _____ field. No single theory or perspective dominates.

Answer: multidisciplinary

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

186) In a _____ perspective, the performance of a system is optimized when both the technology and the organization mutually adjust to one another until a satisfactory fit is obtained.

Answer: sociotechnical

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AACSB: Reflective thinking skills

CASE: Content

A-level Heading: 1.3 Complementary Assets: Organizational Capital and the Right Business Model

187) Define operational excellence. How can information systems help achieve it?

Answer: Operational excellence is the achievement of higher levels of productivity, efficiency, profitability. Information systems can help achieve operational excellence by improving communications to supplier and optimizing the supply chain. Information systems could help managers communicate with workers more efficiently, enable technological innovation in products, minimize warehouse overhead, streamline distribution.

Diff: 2 Type: ES Page Ref: 10

AACSB: Analytic skills

CASE: Evaluation

A-level Heading: 1.2 Perspectives on Information Systems

188) You work for an auto manufacturer and distributor. How could you use information systems to achieve greater customer intimacy?

Answer: You could create a Web site that allows customers to customize cars, communicate with support personnel and other car owners. You could create an automated e-mail service reminding car owners to take their car in for periodic checkups. You could have an information system that tracks customer preferences in local areas, so you can provide cars that reflect local customer needs and desires.

Diff: 3 Type: ES Page Ref: 11

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.2 Perspectives on Information Systems

189) Studies of returns from information technology investments show that there is considerable variation in the returns firms receive. How does the concept of complementary assets explain this variation in returns to the firm?

Answer: Complementary assets are those assets required to derive value from a primary investment. Recent research on business information technology investment indicates that firms that support their technology investments with investments in complementary assets, such as new business models, new business processes, management behaviour, organizational culture, and training, receive superior returns while those firms failing to make these complementary investments receive fewer or no returns on their information technology investments. These investments in organization and management are also known as organizational and management capital. A firm may need the major complementary investments to realize value from their information technology investments. Some of this investment involves tangible assets, such as buildings, machinery, and tools. However, the value of investments in information technology depends to a large extent on complementary investments in management and organization.

Diff: 2 Type: ES Page Ref: 21-22

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

190) In 2005, journalist Thomas Friedman wrote an influential book declaring the world was now "flat". What does this mean and what impact does it have for managers in regards to information technology?
Answer: He meant that the Internet and global communications had greatly reduced the economic and cultural advantages of developed countries. North American and European countries were in a fight for their economic lives, competing for jobs, markets, resources, and even ideas with highly educated, motivated populations in low-wage areas in the less-developed world. This "globalization" presents both challenges and opportunities. A growing percentage of the economy of North America and other advanced industrial countries in Europe and Asia depends on imports and exports. Many firms derive half their revenues from foreign operations. It is not just goods that move across borders. So too do jobs, some of them high-level jobs that pay well and require a post-secondary degree. In the past decade, Canada lost many manufacturing jobs to offshore, low-wage producers. But manufacturing is now a very small part of Canadian employment (less than 10 percent). In a normal year, a number of service jobs move offshore to lower-wage countries, many of them in less-skilled information system occupations, but also including "tradable service" jobs in architecture, financial services, customer call centres, consulting, engineering, and even radiology.

Diff: 2 Type: ES Page Ref: 7

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

191) You work at the central office of a nationwide pizza chain. You have been assigned the task of explaining how your firm might use information technology to achieve the strategic business objective of improved decision making?

Answer: Many business managers operate in an information fog bank, never really having the right information at the right time to make an informed decision. Instead, managers rely on forecasts, best guesses, and luck. The result is over- or underproduction of goods and services, misallocation of resources, and poor response times. These poor outcomes raise costs and lose customers. In the past decade, information systems and technologies have made it possible for managers to use real-time data from the marketplace when making decisions. The pizza chain's digital dashboard could deliver comprehensive and accurate information for decision making. The graphical overview of key performance indicators will help managers quickly spot areas that need attention.

Diff: 2 Type: ES Page Ref: 11-12

AACSB: Analytic skills

CASE: Analysis

A-level Heading: 1.1 The Role of Information Systems in Business Today

192) What is the difference between information technology and information systems? Describe some of the functions of information systems.

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

An information system:

- supports decision making, coordination, and control
- helps employees analyze problems
- helps employees visualize complex subjects
- helps create new products

Diff: 2 Type: ES Page Ref: 12-13

AACSB: Analytic skills

CASE: Evaluation

A-level Heading: 1.2 Perspectives on Information Systems

193) You are a marketing manager for a national movie theatre chain. Give an example of data that your department could use for creating meaningful information. What type of information could that data produce?

Answer: Movie ticket sales from individual theatres would be an example of raw data. Meaningful information from this would be: average number of tickets sold to seniors on certain days of the week.

Diff: 3 Type: ES Page Ref: 13

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

194) Define *business process*. What might be a business process used at a hospital?

Answer: A business process is a set of logically related tasks and behaviours for accomplishing work. Hiring a new employee, customer intake, and filing medical records are examples of business processes at a hospital.

Diff: 2 Type: ES Page Ref: 13

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

195) You are starting a small bike messenger company. Given your type of services (hand-delivering packages within a small geographical area), could your firm be a digital firm? If so, what would make this a digital firm?

Answer: Being a digital firm doesn't purely rely on having digital goods and services. A digital firm would have most of its relationships with customers, suppliers, and employees be digitally enabled. Ordering deliveries, assigning deliveries, managing employees and assignments could certainly be digitally enabled; using cell phones, information systems, and handheld devices to connect customers, delivery management, and bike messengers.

Diff: 3 Type: ES Page Ref: 9-10

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.1 The Role of Information Systems in Business Today

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

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

Diff: 2 Type: ES Page Ref: 16

AACSB: Analytic skills

CASE: Evaluation

A-level Heading: 1.2 Perspectives on Information Systems

197) You work at the business headquarters for a chain of movie theaters. Describe this firm's information value chain.

Answer: An information value chain adds value to data at various stages, transforming it into valuable data. At a chain of movie theatres, data would be gathered from ticket sales and concession sales.

Information systems would help transform this into meaningful information, such as determining the types of movies popular in certain regions, times and days of the week that people most often saw movies, what snacks were the most popular. This information would be valuable in making decisions, such as offering ticket discounts during less popular time slots, and offering more popular snack items. Further feedback based on the results of these decisions could determine whether these decisions were effective.

Diff: 3 Type: ES Page Ref: 20

AACSB: Analytic skills

CASE: Synthesis

A-level Heading: 1.2 Perspectives on Information Systems

198) How does a company's use of information systems affect its corporate strategies? Provide an example.

Answer: A firm's ability to effectively use information technology is interdependent with its ability to implement corporate strategies and achieve corporate goals. More and more, the ability to compete and succeed depends on a company's ability to implement technology. What a business would like to do in the future can depend on what its systems will be able to do. Examples of this might be a company who invests in information systems that enable it to create new products or to make its distribution system more efficient, allowing the company to become the low-cost producer.

Diff: 3 Type: ES Page Ref: 10

AACSB: Analytic skills

CASE: Evaluation

A-level Heading: 1.2 Perspectives on Information Systems

199) How are information systems transforming businesses today in Canada?

Answer: You can see the results of this massive spending around you every day by observing how people conduct business. More wireless cell phone accounts were opened in 2008 than telephone land lines installed. Cell phones, BlackBerrys, iPhones, e-mail, and online conferencing over the Internet have all become essential tools of business. More than 80 million businesses worldwide had dot-com Internet sites registered. In 2008, more than 42 percent of Canadian businesses had dot-com Internet sites registered. Supply chains have become more fast-paced, with companies of all sizes depending on just-in-time inventory to reduce their overhead costs and get to market faster. As newspaper readership continues to decline, in North America, more people receive their news online. Social networking sites such as MySpace and Facebook attract more than 70 and 30 million visitors a month, respectively, and businesses are starting to use social networking tools to connect their employees, customers, and managers worldwide. The Canadian information and communication technologies sector grew to more than \$59.2 billion in 2008. E-commerce and Internet advertising are booming.

Diff: 2 Type: ES Page Ref: 5

AACSB: Analytic skills

CASE: Evaluation

A-level Heading: 1.1 The Role of Information Systems in Business Today

200) What does globalization have to do with management information systems?

Answer: That is simple: everything. The emergence of the Internet into a full-blown international communications system has drastically reduced the costs of operating and transacting on a global scale. Communication between a factory floor in Shanghai and a distribution centre in Winnipeg, Manitoba, is now instant and virtually free. Customers now can shop in a worldwide marketplace, obtaining price and quality information reliably 24 hours a day. Firms producing goods and services on a global scale achieve extraordinary cost reductions by finding low-cost suppliers and managing production facilities in other countries. Internet service firms, such as Google and eBay, are able to replicate their business models and services in multiple countries without having to redesign their expensive fixed-cost information systems infrastructure. Briefly, information systems enable globalization.

Diff: 2 Type: ES Page Ref: 9

AACSB: Analytic skills

CASE: Evaluation

A-level Heading: 1.1 The Role of Information Systems in Business Today

201) What is an information system, and what are its management, organization, and technology dimensions?

Answer: An information system can be defined technically as a set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision making and control in an organization. In addition to supporting decision making, coordination, and control, information systems may also help managers and workers analyze problems, visualize complex subjects, and create new products. Information systems are an integral part of organizations. Indeed, for some companies, such as credit reporting firms, there would be no business without an information system. The key elements of an organization are its people, structure, business processes, politics, and culture.

Information technology can play a powerful role in helping managers design and deliver new products and services and redirecting and redesigning their organizations.

Information technology is one of many tools managers use to cope with change. Computer hardware is the physical equipment used for input, processing, and output activities in an information system. It consists of the following: computers of various sizes and shapes (including mobile handheld devices); various input, output, and storage devices; and telecommunications devices that link computers together.

Diff: 2 Type: ES Page Ref: 5-6

AACSB: Analytic skills

CASE: Evaluation

A-level Heading: 1.1 The Role of Information Systems in Business Today

202) Why are complementary assets essential for ensuring that information systems provide genuine value for an organization?

Answer: Complementary assets are those assets required to derive value from a primary investment. Research on business information technology investment indicates that firms that support their technology investments with investments in complementary assets, such as new business models, new business processes, management behaviour, organizational culture, or training, receive superior returns, while those failing to make these complementary investments receive fewer or no returns on their information technology investments.

The value of investments in information technology depends to a large extent on complementary investments in management and organization.

Key organizational complementary investments are a supportive business culture that values efficiency and effectiveness, an appropriate business model, efficient business processes, decentralization of authority, highly distributed decision rights, and a strong information system (IS) development team.

Important managerial complementary assets are strong senior management support for change, incentive systems that monitor and reward individual innovation, an emphasis on teamwork and collaboration, training programs, and a management culture that values flexibility and knowledge.

Important social investments are the Internet and the supporting Internet culture, educational systems, network and computing standards, regulations and laws, and the presence of technology and service firms.

Diff: 2 Type: ES Page Ref: 21-22

AACSB: Analytic skills

CASE: Evaluation

A-level Heading: 1.2 Perspectives on Information Systems