Essentials of MIS 14th edition Laudon Test Bank

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Essentials of MIS, 14e **(Laudon/Laudon)**
Chapter 1 Business Information Systems in Your Career

1) Which of the following is the key business objective behind the technologies implemented by PCL Construction, as discussed in the chapter-opening case?
A) Operational excellence
B) Survival
C) Improved employee morale
D) Increased supplier intimacy
E) Creation of a new business model
Answer: A
Difficulty: Challenging
AACSB: Analytical Thinking; Information Technology
LO: 1-1: Why are information systems so essential for running and managing a business today?

2) Journalist Thomas Friedman's description of the world as "flat" refers to the:
A) reduction of economic and cultural advantages of developed countries.
B) use of the Internet for instantaneous communication.
C) reduction in travel times and the ubiquity of global exchange and travel.
D) growth of globalization.
E) increased use of global currencies.
Answer: A
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-1: Why are information systems so essential for running and managing a business today?

3) The six important business objectives of information system investment include all of the following *except*:
A) competitive advantage.
B) employee morale.
C) improved decision making.
D) survival.
E) new products.
Answer: B
Difficulty: Moderate
AACSB: Application of Knowledge
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4) A firm that invests in an information system because it is a necessity of doing business does so because it is seeking to achieve which of the following business objectives?
A) Survival
B) Improved decision making
C) Competitive advantage
D) Operational excellence
E) Customer intimacy
Answer: A
Difficulty: Moderate
AACSB: Information Technology
LO: 1-1: Why are information systems so essential for running and managing a business today?

5) Walmart exemplifies the power of information systems coupled with excellent business practices and supportive management to achieve which of the following?
A) New business models
B) Operational efficiency
C) Customer intimacy
D) Competitive advantage
E) Survival
Answer: B
Difficulty: Challenging
AACSB: Analytical Thinking
LO: 1-1: Why are information systems so essential for running and managing a business today?

6) Verizon uses a web-based digital dashboard to provide managers with real-time information, in order to:
A) improve flexibility.
B) improve decision making.
C) gain competitive advantage.
D) create supplier intimacy.
E) create a new business model.
Answer: B
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology
LO: 1-1: Why are information systems so essential for running and managing a business today?

7) Which business objective were competitors seeking when they rushed to provide ATMs after Citibank introduced the first ATMs in New York?
A) Improved efficiency
B) Customer and supplier intimacy
C) Survival
D) Competitive advantage
E) Improved decision making
Answer: C
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology
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8) All of the following describe the effects of globalization *except*:
A) significant decreases in operating costs.
B) reduction of labor costs through outsourcing.
C) increased ability to find low-cost suppliers.
D) increases in transaction costs.
E) ability to reliably obtain price and quality information worldwide.
Answer: D
Difficulty: Challenging
AACSB: Analytical Thinking
LO: 1-1: Why are information systems so essential for running and managing a business today?

9) A firm that must invest in a new information system in order to comply with federal legislation is investing to achieve which of the following business objectives?
A) Customer intimacy
B) Operational excellence
C) New products.
D) Improved decision making
E) Survival
Answer: E
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-1: Why are information systems so essential for running and managing a business today?

10) Which of the following is an example of a business using information systems to create new products and services?
A) Apple's creation of the iPad
B) JCPenney's information system that allows its contract manufacturers to see what garments have been sold and need to be replaced
C) The Mandarin Oriental's use of computers to keep track of guests' preferences
D) Verizon's web-based digital dashboard providing real-time company information for managers
E) Walmart's Retail Link system
Answer: A
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology
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11) An example of a business using information systems for supplier intimacy is:
A) Apple's creation of the iPad.
B) JCPenney's information system that allows its contract manufacturers to see what garments have been sold and need to be replaced.
C) Citibank's ATM system.
D) Verizon's web-based digital dashboard providing real-time company information for managers.
E) the Mandarin Oriental's use of computers to keep track of guests' preferences.
Answer: B
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology
LO: 1-1: Why are information systems so essential for running and managing a business today?

12) To make sure it stocks clothes that its customers will purchase, a department store implements a new application that analyzes spending levels at its stores and cross-references this data to popular clothing styles. Which of the following business objectives is this information intended to support?
A) New products
B) Survival
C) Customer intimacy
D) Supplier intimacy
E) New services
Answer: C
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology
LO: 1-1: Why are information systems so essential for running and managing a business today?

13) Software as a Service (SaaS) is an example of which of the following?
A) Business intelligence
B) Social business
C) IoT
D) Big Data
E) Cloud computing
Answer: E
Difficulty: Easy
AACSB: Application of Knowledge
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14) Which of the following is one of the management and people changes posing a major challenge in the business use of information systems?
A) IoT
B) Big Data
C) Mobile Platform.
D) Cloud Computing.
E) Online collaboration
Answer: E
Difficulty: Easy
AACSB: Analytical Thinking; Information Technology
LO: 1-1: Why are information systems so essential for running and managing a business today?

15) E-commerce and Internet advertising reached $105 billion in 2018, growing at about:
A) 5 percent.
B) 10 percent.
C) 15 percent.
D) 20 percent.
E) 25 percent.
Answer: C
Difficulty: Challenging
AACSB: Application of Knowledge
LO: 1-1: Why are information systems so essential for running and managing a business today?

16) What percent of employed Americans report spending some time working remotely?
A) 13 percent
B) 23 percent
C) 33 percent
D) 43 percent
E) 53 percent
Answer: D
Difficulty: Challenging
AACSB: Application of Knowledge
LO: 1-1: Why are information systems so essential for running and managing a business today?

17) All of the following are technology-related challenges in MIS *except*:
A) cloud computing.
B) big data.
C) IoT.
D) the mobile platform.
E) co-creation of business value.
Answer: E
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18) Which of the following statements is *not* true?
A) In 2018, American businesses invested nearly $1 trillion in information systems hardware, software, and telecommunications equipment.
B) In 2018, American businesses spent over $140 billion on business and management consulting and information technology services.
C) In 2018, about 25 percent of all capital investment in the United States was for information systems hardware, software, and telecommunications equipment.
D) In 2018, investments in the United States for technology and management consulting grew at a faster rate than the U.S. economy as a whole.
E) Worldwide, non-U.S. expenditures for information technology exceeded $3.8 trillion.
Answer: C
Difficulty: Challenging
AACSB: Application of Knowledge
LO: 1-1: Why are information systems so essential for running and managing a business today?

19) In 2018, approximately how many adult Americans bought something online?
A) 150 million
B) 180 million
C) 190 million
D) 220 million
E) 230 million
Answer: C
Difficulty: Challenging
AACSB: Application of Knowledge
LO: 1-1: Why are information systems so essential for running and managing a business today?

20) What percent of the *Fortune 500* companies uses Twitter to communicate with their customers?
A) 20 percent
B) 40 percent
C) 50 percent
D) 60 percent
E) 80 percent
Answer: E
Difficulty: Challenging
AACSB: Application of Knowledge
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21) Over 90 percent of Internet users access the web with mobile devices.
Answer: TRUE
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AACSB: Information Technology
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22) A business model describes how a company produces, delivers, and sells a product or service to create wealth.
Answer: TRUE
Difficulty: Easy
AACSB: Application of Knowledge
LO: 1-1: Why are information systems so essential for running and managing a business today?

23) Federal law requires many businesses to keep email messages for ten years.
Answer: FALSE
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-1: Why are information systems so essential for running and managing a business today?

24) Define operational excellence. How can information systems help achieve it?
Answer: Operational excellence is the achievement of higher levels of productivity and efficiency. Information systems can help achieve operational excellence by improving communications to suppliers and optimizing the supply chain. Information systems could help managers communicate with workers more efficiently, enable technological innovation in products, minimize warehouse overhead, and streamline distribution.
Difficulty: Moderate
AACSB: Application of Knowledge; Information Technology; Written and Oral Communication
LO: 1-1: Why are information systems so essential for running and managing a business today?

25) You work for an auto dealer. How could you use information systems to achieve greater customer intimacy?
Answer: You could create a website that allows customers to order customized cars, and communicate with support personnel and other car owners. You could create an automated email service reminding car owners to take their car in for periodic check-ups. You could have an information system that tracks customer preferences in your local area, so you can offer cars that reflect local customer needs and desires.
Difficulty: Moderate
AACSB: Application of Knowledge; Information Technology; Written and Oral Communication
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26) Which of the following is the best definition of an information system?
A) A set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision making and control in an organization
B) Computers, keyboards, printers, and telecommunications devices
C) A set of detailed programmed instructions that transform raw data into information
D) Physical devices and software that can be connected to share voice, data, images, sound, and video
E) A global network that uses universal standards
Answer: A
Difficulty: Moderate
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

27) The three activities in an information system that produce the information are:
A) information, research, and analysis.
B) input, output, and feedback.
C) input, processing, and output.
D) data analysis, processing, and feedback.
E) information, data, and processing.
Answer: C
Difficulty: Easy
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

28) The average number of baseball tickets sold at a particular price is an example of:
A) input.
B) raw data.
C) meaningful information.
D) output.
E) feedback.
Answer: C
Difficulty: Easy
AACSB: Analytical Thinking
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29) Output:
A) is feedback that has been processed to create meaningful information.
B) is information that is returned to appropriate members of the organization to help them evaluate the input stage.
C) transforms raw data into processed information.
D) transfers processed information to the people who will use it or to the activities for which it will be used.
E) is a stream of raw facts representing events occurring in organizations or the physical environment.
Answer: D
Difficulty: Easy
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

30) Converting raw data into a more meaningful form is called:
A) capturing.
B) processing.
C) organizing.
D) feedback.
E) inputting.
Answer: B
Difficulty: Easy
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

31) Which of the following is an example of raw data from an automobile manufacturer?
A) An average of 130 Subarus sold daily in New York in 2019
B) 1,300 Subaru Outbacks sold during the first quarter 2019 in New York
C) One Subaru Outback sold January 7, 2019 in Mount Kisco, New York for $25,000
D) Annual sales of Subaru Outbacks increased 4.5 percent
E) An average sale price of $26,000 for all Subaru Outbacks sold during January 2019 in Mount Kisco, New York
Answer: C
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AACSB: Analytical Thinking
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32) Which of the following fields deals with behavioral issues, as well as technical issues, surrounding the development, use, and impact of information systems used by managers and employees in the firm?
A) Information systems literacy
B) Information systems architecture
C) Management information systems
D) Information technology infrastructure
E) Computer information systems
Answer: C
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

33) All of the following are examples of environmental actors in an information system *except*:
A) customers.
B) stockholders.
C) feedback.
D) competitors.
E) regulatory agencies.
Answer: C
Difficulty: Easy
AACSB: Application of Knowledge
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

34) In a hierarchical organization, the upper levels consist of:
A) managerial, professional and knowledge workers.
B) managerial, professional, and technical workers.
C) professional and operational workers.
D) managerial, professional, and operational workers.
E) knowledge, technical and operational workers.
Answer: B
Difficulty: Moderate
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35) 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) business process.
B) environment.
C) atmosphere.
D) values.
E) culture.
Answer: E
Difficulty: Easy
AACSB: Application of Knowledge
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

36) All of the following can be considered managerial responsibilities *except*:
A) making action plans to solve organizational problems.
B) creating new products and services.
C) designing new information systems.
D) allocating human resources to coordinate the work to be done.
E) setting strategy for responding to business challenges in the environment.
Answer: C
Difficulty: Moderate
AACSB: Analytical Thinking
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

37) Data management technology consists of the:
A) physical hardware and media used by an organization for storing data.
B) detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.
C) software governing the organization of data on physical storage media.
D) hardware and software used to transfer data.
E) universally accepted standards for storing data.
Answer: C
Difficulty: Moderate
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38) Intranets:
A) are based on mainframe technology.
B) are multiple networks joined together.
C) are typically used to communicate with the business's trusted vendors.
D) use Internet technology for a private company network.
E) provide the platform on which a firm builds its information systems.
Answer: D
Difficulty: Moderate
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

39) As described in the chapter case, which of the following constitutes an organizational element in the UPS tracking system?
A) The specification of procedures for identifying packages with sender and recipient information
B) 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
E) Routing software that creates the most efficient delivery route for each driver
Answer: A
Difficulty: Challenging
AACSB: Application of Knowledge
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

40) As described in the chapter case, which of the following constitutes a people element of the UPS tracking system?
A) The web-based Post Sales Order Management System
B) The ability to provide package status reports to customers
C) The decision to use automation
D) The implementation of in-house package tracking software
E) The ability to embed UPS functions in external sites
Answer: C
Difficulty: Challenging
AACSB: Analytical Thinking; Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

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41) A moving company has an information system that analyzes travel patterns and decides which routes are the most efficient for every van. The need for employees to follow procedures to update this system with arrival and departure times is a(n) _____ dimension of the system.
A) organizational
B) managerial
C) people
D) technology
E) cultural
Answer: A
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

42) Why is "culture" an important factor to consider when building information system solutions to business problems?
A) Culture is one element that can be radically changed, not always for the better, by new information systems.
B) Culture affects how information system solutions are implemented and used.
C) Culture is a cauldron of employee perspectives and conflicts, which can be used to improve business processes.
D) Culture is the driving force behind decision making and innovation.
E) Culture is the basis for organizational politics.
Answer: B
Difficulty: Challenging
AACSB: Analytical Thinking; Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

43) Which of the following is a global network that uses universal standards to connect millions of different networks around the world?
A) An extranet
B) The World Wide Web
C) The Internet
D) An intranet
E) Verizon
Answer: C
Difficulty: Easy
AACSB: Information Technology
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44) _____ consists of detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.
A) Computer software
B) Programming
C) Enterprise applications
D) Business intelligence
E) Data management technology
Answer: A
Difficulty: Easy
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

45) _____ is a service provided by the Internet that uses universally accepted standards for storing, retrieving, formatting, and displaying information in a page format.
A) FTP
B) Email
C) The World Wide Web
D) HTML
E) An extranet
Answer: C
Difficulty: Easy
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

46) Information systems contain information about significant people, places, and things within the organization or in the environment surrounding it.
Answer: TRUE
Difficulty: Moderate
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

47) An extranet is a private intranet extended to authorized users outside the organization.
Answer: TRUE
Difficulty: Easy
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

48) Computer literacy focuses primarily on knowledge of information systems.
Answer: FALSE
Difficulty: Easy
AACSB: Information Technology
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49) People, organizations, and information technology are all dimensions of information systems.
Answer: TRUE
Difficulty: Easy
AACSB: Information Technology
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50) The history and culture of business firms affects how it uses information technology.
Answer: TRUE
Difficulty: Easy
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

51) Developing a new product, fulfilling an order, and hiring a new employee are all examples of business processes.
Answer: TRUE
Difficulty: Easy
AACSB: Application of Knowledge
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

52) Business processes are logically related tasks for accomplishing work that have been formally encoded by an organization.
Answer: FALSE
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

53) Employee attitudes about their jobs, employers, or technology can have a powerful effect on their abilities to use information systems productively.
Answer: TRUE
Difficulty: Easy
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

54) The Internet is the world's largest and most widely used network.
Answer: TRUE
Difficulty: Moderate
AACSB: Information Technology
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55) A firm's IT infrastructure provides the platform on which the firm can build its information systems.
Answer: TRUE
Difficulty: Easy
AACSB: Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

56) UPS's use of web-based tools that allow customers to embed UPS functions, such as tracking and cost calculations, into their own websites, described in the chapter case, is an information systems solution used to achieve supplier intimacy.
Answer: FALSE
Difficulty: Challenging
AACSB: Analytical Thinking; Information Technology
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

57) Data is information that has been shaped into a form that is meaningful to human beings.
Answer: FALSE
Difficulty: Easy
AACSB: Application of Knowledge
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

58) Feedback is a specific type of output.
Answer: TRUE
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

59) Intranets are private corporate networks extended to authorized users outside the organization.
Answer: FALSE
Difficulty: Easy
AACSB: Information Technology
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60) What important managerial function is impaired by not having access to timely and accurate information? What is the effect of this lack of data?
Answer: The managerial function is decision making. Without access to timely and accurate information, business managers rely on forecasts, best guesses, and luck. The result is over- or under-production of goods and services, misallocation of resources, and poor response times. The potential poor outcomes can raise costs, and the company can lose customers.
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology; Written and Oral Communication
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

61) Describe the people dimension of information systems and give an example. Is this dimension as vital as the technology dimension when considering a technology-based solution to a business problem?
Answer: The people dimension describes all of the factors related to employees, from operational personnel to senior management. Essentially, an organization and its information systems are worthless without skilled employees. For example, a people dimension of implementing a new information system is ensuring users are properly trained to use the system. The people dimension is just as vital as the other dimensions - the success of an information system depends on the people implementing and operating it. In addition, as a resource, employees are expensive to hire, manage, and train, whereas technology and hardware can be relatively inexpensive.
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology; Written and Oral Communication
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

62) You are a marketing manager for a national movie theater 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 theaters 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.
Difficulty: Easy
AACSB: Application of Knowledge; Information Technology; Written and Oral Communication
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

63) Define a business process. What might be a business process used at a hospital?
Answer: A business process is a set of logically related tasks and behaviors for accomplishing work. Hiring a new employee, customer intake, and filing medical records are examples of business processes at a hospital.
Difficulty: Moderate
AACSB: Analytical Thinking; Written and Oral Communication
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

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64) What is the difference between information technology and information systems?
Answer: Information technology (IT) consists of all the hardware and software that a firm needs to use to achieve its business objectives. Information systems are more complex. An information system can be defined technically as a set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision making and control in an organization.
Difficulty: Moderate
AACSB: Application of Knowledge; Information Technology; Written and Oral Communication
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

65) This chapter discusses how each organization has its own culture and sets of values shared by most of its members. What kind of shared values might you find at a law firm?
Answer: Shared values at a law firm might be: The legal system works, the legal system is fair, lawyers help people, and people need help with the legal system because it is complicated.
Difficulty: Moderate
AACSB: Analytical Thinking; Written and Oral Communication
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

66) Why is the building of a house an appropriate analogy for the building of an information system?
Answer: Houses are built with hammers, nails, and wood, but these alone do not make a house. The architecture, design, setting, landscaping, and all of the decisions that lead to the creation of these features are part of the house and are crucial for solving the problem of putting a roof over one's head. Computers and programs are the hammer, nails, and lumber of computer-based information systems, but alone they cannot produce the information a particular organization needs. To understand information systems, you must understand the problems they are designed to solve, their architectural and design elements, and the organizational processes that lead to these solutions.
Difficulty: Challenging
AACSB: Analytical Thinking; Information Technology; Written and Oral Communication
LO: 1-2: What exactly is an information system? How does it work? What are its people, organizational, and technology components?

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67) A database into which employees manually input customer names and addresses is riddled with errors and you have been charged with rectifying the situation. In considering the organizational dimensions of this problem, you should consider the:
A) skill levels of the employees inputting the data.
B) training given to the employees inputting the data.
C) business processes in place governing the manual input of the data.
D) types of automatic error checking provided by the input software.
E) storage capacity of the database.
Answer: C
Difficulty: Moderate
AACSB: Application of Knowledge; Information Technology
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

68) The first step in the model of business problem solving discussed in the chapter is:
A) interviewing the people involved in the problem.
B) identifying the problem.
C) outlining the problem's causes.
D) assigning the problem to a problem solver.
E) evaluating possible solutions to the problem.
Answer: B
Difficulty: Easy
AACSB: Application of Knowledge
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

69) Outdated software is an example of the _____ dimension of business problems.
A) technology
B) organizational
C) people
D) management
E) cultural
Answer: A
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

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70) Work environment is an example of the _____ dimension of business problems.
A) management
B) organizational
C) people
D) technology
E) cultural
Answer: C
Difficulty: Challenging
AACSB: Analytical Thinking
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

71) Which of the following is *not* an element of critical thinking?
A) Following a rote pattern of decision making
B) Maintaining doubt and suspending judgment
C) Being aware of different perspectives
D) Testing alternatives and letting experience guide
E) Being aware of organizational and personal limitations
Answer: A
Difficulty: Challenging
AACSB: Application of Knowledge; Analytical Thinking
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

72) Inadequate resources are an example of the _____ dimension of business problems.
A) management
B) organizational
C) people
D) infrastructure
E) cultural
Answer: B
Difficulty: Moderate
AACSB: Analytical Thinking
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

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73) The owners of Speed-EZ, a new bike messenger service, are concerned about how they will manage their messengers once the messengers have left the office. This is a business problem that falls into the:
A) management dimension.
B) people dimension.
C) organizational dimension.
D) technology dimension.
E) cultural dimension.
Answer: B
Difficulty: Challenging
AACSB: Analytical Thinking
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

74) Flapjack Flats, a new pancake restaurant chain, is having difficulty finding pancake chefs. This is a business problem that falls into the:
A) management dimension.
B) people dimension.
C) organizational dimension.
D) technical dimension.
E) cultural dimension.
Answer: C
Difficulty: Challenging
AACSB: Analytical Thinking
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

75) In choosing the best solution for a business problem, all of the following are important considerations *except*:
A) the cost of the solution.
B) the feasibility of the solution given existing resources and skills.
C) the length of time to implement the solution.
D) the attitudes of employees.
E) the ability to forget about the problem once it has been solved.
Answer: E
Difficulty: Challenging
AACSB: Analytical Thinking
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76) The final step in the four-step model of business problem solving is:
A) outcome.
B) implementation.
C) change management.
D) feedback.
E) employee retraining.
Answer: B
Difficulty: Easy
AACSB: Application of Knowledge
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

77) Which of the following would *not* be considered part of the implementation phase of problem solving?
A) Change management
B) Purchasing hardware for an information systems solution
C) Training an employee on new systems software
D) Evaluating a selection of software packages for implementing a new business process
E) Determining the attitude of employees about the solution
Answer: D
Difficulty: Moderate
AACSB: Analytical Thinking
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

78) The failure of NASA's initial solution to preventing the space shuttle shedding foam illustrates the:
A) importance of training employees on new business processes.
B) need to prepare for measuring outcomes of a business solution.
C) continuous nature of problem solving.
D) need to quickly adapt to new technological innovations.
E) importance of organizational change in problem solving.
Answer: C
Difficulty: Moderate
AACSB: Analytical Thinking
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

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79) Perhaps the most frequent error in problem solving is:
A) rushing to judgment about the nature of a problem.
B) not being aware of personal limitations.
C) being too doubtful.
D) following a rote pattern of decision making.
E) failing to consider all dimensions of a problem.
Answer: A
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

80) Assume you work for a package delivery service in a major metropolitan area and that the business has been losing customers for several years. You have been asked to find a solution to this problem. What is the correct way to proceed?
A) Look for solutions, evaluate the solutions, identify the problem more clearly, and then implement the solution.
B) Think about what solutions can be implemented, look for solution designs, evaluate the designs, and then implement the solution.
C) Identify the problem, design alternative solutions, choose the best solution, and then implement the solution.
D) Design solutions, evaluate and identify the problems, choose the best solution, and then implement the solution.
E) Identify relevant information technologies, interview employees, choose a technology, and implement the technology.
Answer: C
Difficulty: Moderate
AACSB: Analytical Thinking; Application of Knowledge; Information Technology
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

81) Which are the three major dimensions of business problem solving?
A) Organizational dimensions, people dimensions, and technology dimensions
B) Organizational dimensions, people dimensions, and environmental dimensions
C) People dimensions, technology dimensions, and environmental dimensions
D) Technology dimensions, organizational dimensions, and environmental dimensions
E) Organizational dimensions, technology dimensions, and cultural dimensions
Answer: A
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

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82) Identifying a problem includes agreeing that a problem exists.
Answer: TRUE
Difficulty: Easy
AACSB: Application of Knowledge
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

83) An unsupportive culture is an example of the people dimension of business problems.
Answer: FALSE
Difficulty: Challenging
AACSB: Application of Knowledge
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

84) Encouraging employees to adapt to new business processes is an important factor in change management.
Answer: TRUE
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

85) Describe the four steps taken in solving a business problem.
Answer: The four steps are problem identification, solution design, choice of a solution, and implementation. In the problem identification step, relevant people in an organization must agree that a problem exists, what the problem is, what its causes are, and what can be done about the problem given the organization's resources. In the solution design step, as many solutions as possible should be determined. In the choice step, you choose the best solution from the list of options determined in the previous step. It is important to match a choice to existing resources, skills, and feasibility. In the last step, implementation, the solution is put in place. In information systems solutions, this may include purchasing hardware or software and testing it. Implementation also includes employee training, change management, and using a method to measure the outcome.
Difficulty: Moderate
AACSB: Analytical Thinking; Written and Oral Communication
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

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86) What are the three dimensions of business problems? Give an example of each.
Answer:
(1) Organizational: This may include outdated business processes, unsupportive culture and attitudes, political conflict, turbulent business environment and change, complexity of task, and inadequate resources.
(2) Technology: This may include insufficient or aging hardware, outdated software, inadequate database capacity, insufficient network capacity, incompatibility of old systems with new technology, and rapid technological change and failure to adopt new technologies.
(3) People: This may include lack of employee training, difficulties in evaluating performance, legal and regulatory compliance, work environment, lack of employee support and participation, indecisive management, poor management and wrong incentives.
Difficulty: Moderate
AACSB: Analytical Thinking; Written and Oral Communication
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

87) The department chain you work for has had numerous complaints about slow customer service. Your colleague, a sales manager, informs you that this happened at a previous store she worked for, and it was cleared up by hiring more sales representatives. Should you take her advice? Why or why not? What techniques can you use in evaluating the problem?
Answer: The advice should not be taken, as it is a rush to judgment, which could mean that the wrong solution is used, wasting time and resources. You should ask the colleague to employ critical thinking. Critical thinking is sustained suspension of judgment with an awareness of multiple perspectives and alternatives. It involves at least four elements:
- Maintaining doubt and suspending judgment
- Being aware of different perspectives
- Testing alternatives and letting experience guide
- Being aware of organizational and personal limitations

Difficulty: Challenging
AACSB: Interpersonal Relations and Teamwork; Analytical Thinking; Written and Oral Communication
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

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88) How does critical thinking relate to the problem-solving process?
Answer: Simply following a rote pattern of decision making, or a model, does not guarantee a correct solution. The best protection against incorrect results is to engage in critical thinking throughout the problem-solving process.
Perhaps the most frequent error in problem solving is to arrive prematurely at a judgment about the nature of the problem. By doubting all solutions at first and refusing to rush to a judgment, you create the necessary mental conditions to take a fresh, creative look at problems and you keep open the chance to make a creative contribution.
Second, it is important to recognize that all interesting business problems have many dimensions and that the same problem can be viewed from different perspectives such as the technology perspective, the organization perspective, and the people perspective.
The third element of critical thinking involves testing alternatives, or modeling solutions to problems, and letting experience be the guide. Not all contingencies can be known in advance and much can be learned through experience. Therefore, it is important to experiment, gather data, and reassess the problem periodically.
Difficulty: Challenging
AACSB: Application of Knowledge; Analytical Thinking; Written and Oral Communication
LO: 1-3: How will a four-step method for business problem solving help you solve information system-related problems?

89) Which of the following is an important skill for an accounting major?
A) An understanding of online transaction and reporting systems
B) An understanding of product management enterprise systems
C) An understanding of supplier management enterprise systems
D) An understanding of enterprise systems that enhance leadership
E) An understanding of enterprise systems for customer relationship management
Answer: A
Difficulty: Moderate
AACSB: Information Technology
LO: 1-4: What information systems skills and knowledge are essential for business careers?

90) Which of the following is an important skill for a marketing major?
A) An understanding of online transaction and reporting systems
B) An understanding of product management enterprise systems
C) An understanding of supplier management enterprise systems
D) An understanding of enterprise systems that enhance leadership
E) An understanding of financial reporting systems
Answer: B
Difficulty: Moderate
AACSB: Information Technology
LO: 1-4: What information systems skills and knowledge are essential for business careers?

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91) What is the estimated growth rate for information systems managers' jobs through 2026?
A) 5%
B) 9%
C) 13%
D) 15%
E) 17%
Answer: C
Difficulty: Moderate
AACSB: Information Technology
LO: 1-4: What information systems skills and knowledge are essential for business careers?

92) Financial managers work directly with _____ to ensure investments in information systems help achieve corporate goals.
A) operations managers
B) senior managers
C) marketing managers
D) accounting managers
E) knowledge workers
Answer: B
Difficulty: Moderate
AACSB: Information Technology
LO: 1-4: What information systems skills and knowledge are essential for business careers?

93) Which of the following statements is *not* true?
A) The most common and successful offshore outsourcing projects involve production programming and system maintenance programming work, along with call center work related to customer relationship management systems.
B) Inflation in Indian and Chinese wages for technology work is leading to a counter movement of some IT jobs back to the United States.
C) Innovative new products, services, and systems are rarely outsourced.
D) Software outsourcing of routine IS work to low-wage countries has increases the cost of building and maintaining systems in the United States.
E) Management and organizational tasks required in systems development usually are not outsourced.
Answer: D
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-4: What information systems skills and knowledge are essential for business careers?

94) Accountants need to understand online transaction and reporting systems.
Answer: TRUE
Difficulty: Moderate
AACSB: Information Technology
LO: 1-4: What information systems skills and knowledge are essential for business careers?

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95) IT managerial jobs are outsourced easily because of the universal standards used by the Internet.
Answer: FALSE
Difficulty: Moderate
AACSB: Analytical Thinking; Information Technology
LO: 1-4: What information systems skills and knowledge are essential for business careers?

96) An understanding of enterprise-wide systems for customer relationship management is one of the skills relevant to careers in marketing.
Answer: TRUE
Difficulty: Moderate
AACSB: Information Technology
LO: 1-4: What information systems skills and knowledge are essential for business careers?

97) Whereas marketing and financial careers have been transformed by the growth in information systems, thus far managerial positions have remained relatively unaffected.
Answer: FALSE
Difficulty: Moderate
AACSB: Information Technology
LO: 1-4: What information systems skills and knowledge are essential for business careers?

98) There are two types of outsourcing: offshore outsourcing and foreign outsourcing.
Answer: FALSE
Difficulty: Moderate
AACSB: Application of Knowledge
LO: 1-4: What information systems skills and knowledge are essential for business careers?

99) Describe at least three of the general information skills essential for all business careers.
Answer: General information skills essential for all business careers include (1) understanding how information systems and technologies can help firms achieve business objectives such as operational efficiency, developing new products and services, and maintaining customer intimacy. Also essential is (2) developing skills in the analysis of information in order to help firms understand and make their data, as well as (3) business analytics and intelligence skills, in order to be able to analyze the mountains of big data that the online business environment and Internet of Things produce. (4) All business majors need to be able to work with specialists and system designers who build and implement information systems. This is necessary to ensure that the systems that are built actually service business purposes and provide the information and understanding required by managers and employees. In addition, students need to (5) understand how information systems can be used to meet business requirements for reporting to government regulators and the public and how information systems affect the ethical issues in their fields.
Difficulty: Challenging
AACSB: Application of Knowledge; Information Technology; Written and Oral Communication
LO: 1-4: What information systems skills and knowledge are essential for business careers?

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100) What types of jobs are *not* likely to be outsourced and why?
Answer: Jobs involved with the creation of innovative new products, services, and systems are rarely outsourced either domestically or globally. The advantage of low-wage countries is their low wages and ready availability of technical talent, not their keen sense of new products, services, and technologies for other countries' markets.
Difficulty: Challenging
AACSB: Application of Knowledge; Written and Oral Communication
LO: 1-4: What information systems skills and knowledge are essential for business careers?

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