Experiencing MIS 10th edition Kroenke Test Bank

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Experiencing MIS, 10e **(Kroenke)**
Chapter 2 Organizational Strategy, Information Systems, and Competitive Advantage

1) An organization's goals and objectives are determined by its _____.
A) industry rivals
B) global functions
C) competitive strategy
D) strategic alliances
Answer: C
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.1: How does organizational strategy determine information systems structure?
Classification: Concept

2) The competitive strategy followed by an organization is derived from the _____ of its industry.
A) function
B) structure
C) profits
D) goals
Answer: B
AACSB: Analytical Thinking
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Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

3) Competitive strategy determines an organization's value chain.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

4) Briefly describe how organizational strategy determines the functions of information systems.
Answer: Organizations examine the structure of their industry and determine a competitive strategy. This strategy determines value chains, which, in turn, determine business processes. The structure of business processes determines the design of supporting information systems.
AACSB: Information Technology
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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5) All of the following are part of Porter's Five Forces Model of Industry Structure EXCEPT _____.
A) agreement
B) bargaining power of customers
C) threat of substitutions
D) threat of new entrants
Answer: A
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

6) Which of the following describes suppliers in a position of strong bargaining power?
A) coffee planters during a season of frost that decreases production
B) domestic suppliers of corn in the event of removal of import duties on corn
C) providers of logistic support when fuel prices have been reduced
D) temporary part-time gym instructor at a well-known gym
Answer: A
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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7) Simpson's Lawn Services decides to offer two free mowing services for all customers who booked garden landscaping in the fall. Which of the following forces is Simpson's Lawn Services addressing?
A) the control exercised by Acme Corp., which supplies Simpson's with lawn mowers
B) the power held by the landlord of the Simpson's office space
C) the threat posed by Roger's Landscapes, a new competitor
D) the bargaining power of the City Football Club, who are Simpson's customers
Answer: C
AACSB: Reflective Thinking
Difficulty: 3: Challenging
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Application

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8) Which Porter's force is the strongest for the eHermes opening case?
A) threat of substitutions
B) power of suppliers
C) bargaining power of customers
D) rivalry
Answer: C
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

9) The bargaining power of _____ is one of the five competitive forces in Porter's five forces model.
A) investors
B) competitors
C) employees
D) customers
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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10) In Porter's five forces model, the threat of new entrants concerns the danger of _____.
A) suppliers favoring rival companies
B) customers taking their business elsewhere
C) investors refusing to back new projects
D) employees not working toward organizational goals
Answer: B
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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11) In Porter's five forces model, the intensity of each of the five forces determines the characteristics of the industry, how profitable it is, and _____.
A) the power held by employee unions
B) the quality and the nature of products sold
C) how competent the customer services will be
D) how sustainable that profitability will be
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

12) If a company chooses a focused-differentiation competitive strategy in Porter's model, what is the main focus of their competitive strategy?
A) Better product/service within an industry segment
B) Lowest cost across the industry
C) Lowest cost within an industry segment
D) Better product/service across the industry.
Answer: A
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

13) If the price of an alternative is lower than the price of an existing product, and customers perceive similar benefits from both the products, then the _____.
A) switching cost is high
B) price of the product should be increased to retain market share
C) threat from the substitute is strong
D) customers' bargaining power decreases
Answer: C
AACSB: Analytical Thinking
Difficulty: 3: Challenging
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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14) According to Porter, to be effective the organization's goals, objectives, culture, and activities must be consistent with the organization's _____.
A) strategy
B) information systems structure
C) name
D) price of service
Answer: A
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

15) Which of the following is TRUE of new entrants?
A) They have strong customer loyalty.
B) They will have records on customers' purchase habits.
C) They can capture the market with new and innovative services.
D) They can lock in suppliers to gain a competitive advantage.
Answer: C
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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16) Substitutions may not be viable options for some industrial clients due to _____ or physical distance limitations.
A) the lack of rival suppliers
B) the lack of internal technical expertise
C) the loss of customers
D) the loss of investors
Answer: B
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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17) Which of the following statements describes a scenario in which the bargaining power of a supplier is strong?
A) Competitors have decreased demand for raw materials.
B) The availability of raw materials is limited.
C) The supplier has excess inventory.
D) many suppliers are providing the same raw materials for comparable prices.
Answer: B
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

18) The bargaining power of a customer is weak if _____.
A) the availability of a substitute is limited
B) the cost of switching to a substitute is low
C) competitors offer products with the same benefits at lower prices
D) new entrants are offering a product that uses more recent technology
Answer: A
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept
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19) Porter originally developed the five forces model to understand organizations' workforce.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

20) According to Porter's five forces model, a company is profitable if all the five forces are strong.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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21) Porter identified the bargaining power of competitors as one of the forces in his five forces model.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

22) The threat of substitution in Porter's model concerns the danger of customers taking their business elsewhere.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

23) If the costs of switching to another vendor are high, then the bargaining power of the customer is low.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

24) The strength of bargaining power of the customer does not depend on the availability of substitutes.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

25) Typically, as an individual, a customer has substantial bargaining power over a large manufacturing industry.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
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Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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26) The availability of substitutes plays a role in determining the bargaining power of suppliers for industrial clients.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

27) Surplus of a product serves as an example of a weak force for the bargaining power of suppliers.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

28) Describe Porter's five forces model.
Answer: Organizational strategy begins with an assessment of the fundamental characteristics and structure of an industry. One model used to assess an industry structure is Porter's five forces model. Porter developed the five forces model to help organizations determine the potential profitability of an industry. Over the years, this model has also been applied to understand organizations' competitive environments. Porter's five competitive forces can be grouped into two types: forces related to competition and forces related to supply chain bargaining power. The competitive forces include competition from vendors of substitutes, competition from new competitors, and competition from existing rivals. The bargaining power forces include the bargaining power of suppliers and the bargaining power of customers. The intensity of each of the five forces determines the characteristics of the industry, how profitable it is, and how sustainable that profitability will be. Organizations examine these five forces and determine how they intend to respond to them. This examination leads to the development of competitive strategies.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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29) An organization responds to the structure of its industry by choosing a _____ strategy.
A) competitive
B) growth
C) leadership
D) diversification
Answer: A
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

30) Which of the following competitive strategies does a company follow if it produces a uniquely formulated anti-aging face cream targeted at women above the age of forty?
A) providing the lowest cost across the industry
B) providing a better product across the industry
C) focusing on lowering the cost within an industry-segment
D) focusing on product differentiation within an industry-segment
Answer: D
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept
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31) A firm introduces a new range of laptops that concentrate on delivering good graphics performance. Which of the following competitive strategies has the firm adopted if these laptops have relatively low prices?
A) focused differentiation
B) focused low cost
C) industry-wide differentiation
D) industry-wide low cost
Answer: B
AACSB: Analytical Thinking
Difficulty: 2: Moderate
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Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

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32) Which of the following is an example of a competitive strategy employed by a firm?
A) increasing the price of its product when raw material prices increase
B) laying off staff to cut down costs during a recession period
C) advertising its products nationwide like its competitor organizations
D) launching a unique product targeted at a section of consumers
Answer: D
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

33) According to Porter, to be effective, an organization's goals, objectives, culture, and activities must be consistent with the organization's _____.
A) functions
B) competitors
C) strategy
D) workforce
Answer: C
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

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34) An organization can choose to either minimize cost or maximize differentiation to gain a competitive advantage.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
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Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

35) Focused differentiation is a strategy in which a product is unique and is used by a wide range of consumers.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
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36) According to Porter, all information systems in the organization must facilitate the organization's competitive strategy to be effective.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

37) What are the four competitive strategies based on Porter's five forces model?
Answer: An organization responds to the structure of its industry by choosing a competitive strategy. Porter defined four fundamental competitive strategies. According to Porter, a firm can engage in one of these four fundamental competitive strategies. An organization can focus on being the cost leader, or it can focus on differentiating its products from those of the competition. Further, an organization can employ the cost or differentiation strategy across an industry, or it can focus its strategy on a particular industry segment. To be effective, the organization's goals, objectives, culture, and activities must be consistent with the organization's strategy.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

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38) Porter defined _____ as the amount of money that a customer is willing to pay for a resource, product, or service.
A) margin
B) profit
C) price
D) value
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

39) Which of the following is TRUE of a value chain?
A) It is a network of value-creating activities.
B) It consists of only primary activities.
C) It is specific to manufacturing industries.
D) It nullifies the importance of support activities.
Answer: A
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
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40) A business that selects a differentiation strategy _____.
A) adds cost to an activity, provided it has a positive margin
B) provides essential functions at the lowest costs
C) imitates rival companies' strategy and products
D) always tries to price its products higher than its competitors' products
Answer: A
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

41) The difference between the value that an activity generates and the cost of the activity is called the _____.
A) equity
B) liability
C) overhead
D) margin
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

42) Which of the following primary activities describes collecting, storing, and physically distributing products to buyers?
A) customer service
B) sales and marketing
C) outbound logistics
D) operations/management
Answer: C
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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43) Which of the following primary value chain activities induce buyers to purchase a product and provide a means for them to do so?
A) inbound logistics
B) sales and marketing
C) outbound logistics
D) operations/management
Answer: B
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

44) Which of the following statements describes a customer service activity?
A) receiving and storing materials
B) transforming customers' inputs into the final product
C) inducing buyers to purchase the product
D) assisting customers with the use of the product
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
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Classification: Concept

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45) Which of the following is TRUE of supporting activities?
A) Their contribution toward a product's value is negligible.
B) Their contributions to margin can be calculated easily.
C) Customer service is considered a supporting activity.
D) Negotiation of prices is considered a supporting activity.
Answer: D
AACSB: Analytical Thinking
Difficulty: 2: Moderate
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46) Each stage of the value chain not only adds value to the product but also _____.
A) improves supplier relationships
B) accumulates costs
C) devalues the final product
D) attracts competitors
Answer: B
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

47) Which of the following is a primary activity in the value chain?
A) process of finding vendors
B) setting up contractual arrangements
C) negotiating prices
D) delivering products to consumers
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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48) _____ includes general management, finance, accounting, legal, and government affairs.
A) Human resources
B) Research and development
C) Firm infrastructure
D) Operations management
Answer: C
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
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49) Porter's model of business activities includes _____, which are interactions across value activities.
A) linkages
B) evaluations
C) iterations
D) operations
Answer: A
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

50) A manufacturing system uses sales forecasts to plan production. It uses the production plan to determine raw material needs and then uses the material needs to schedule purchases. This ultimately leads to reduced inventory costs. Which of the following is being used to reduce the inventory cost?
A) linkages
B) margins
C) competitive strategy
D) support activities
Answer: A
AACSB: Analytical Thinking
Difficulty: 1: Easy
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Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

51) Organizations analyze the structure of their industry and use that analysis to formulate a competitive strategy.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

52) A business that selects a differentiation strategy will always structure itself around least-cost activities.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
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Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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53) The difference between the value that an activity generates and the value of its competitor is called the margin.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

54) Customer service falls under the category of supporting activities in a value chain.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

55) Procurement falls under the category of primary activities in a value chain.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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56) Porter's definition of technology is narrow because it includes only research and development.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

57) Support activities are business functions that relate directly to the production of the organization's products or services.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
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58) A business with a differentiation strategy will add cost to an activity only as long as the activity has a positive margin.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

59) Each stage of the generic value chain reduces the value of the product.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

60) The support activities in the generic value chain facilitate the primary activities and contribute only indirectly to the production, sale, and service of the product.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

61) Receiving, storing, and disseminating inputs to a product is an operations management activity.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

62) A company uses the outbound logistics activity to deliver the finished product to a customer.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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63) Porter's model of business activities includes linkages, which are interactions across value activities.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

64) Firm infrastructure excludes general management, finance, accounting, legal, and government affairs.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Describe the components of an information system (IS).
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

65) It is easier to calculate the margin of supporting activities than primary activities.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

66) Value chain analysis has a direct application to manufacturing businesses.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

67) Manufacturing systems avoid linkages to reduce inventory costs.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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68) Value chains exist in service-oriented companies.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

69) Inbound and outbound logistics are the primary value generators in a service-oriented company.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

70) How does competitive strategy determine value chain structure?
Answer: Porter defined value as the amount of money that a customer is willing to pay for a resource, product, or service. A value chain is a network of value-creating activities. Organizations analyze the structure of their industry and formulate a competitive strategy using that analysis. They then need to organize and structure the organization to implement that strategy. If, for example, the competitive strategy is to be a cost leader, then business activities need to be developed to provide essential functions at the lowest possible cost. A business that selects a differentiation strategy would not necessarily structure itself around least-cost activities. Instead, such a business might choose to develop more costly systems, but it would do so only if those systems provided benefits that outweighed their risks.
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

71) Distinguish between a primary and support activity in the value chain.
Answer: Primary activities are business functions that relate directly to the production of an organization's products or services. Primary activities include inbound logistics, operations, customer service, and sales and marketing. These activities add value to a product. Support activities are business functions that assist and facilitate the primary activities. Supporting functions add value to a product indirectly. They also have costs and contribute to a margin. It is difficult to calculate their margins because the specific value added is difficult to measure.
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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72) Differentiate between value and margin.
Answer: Porter defined value as the amount of money that a customer is willing to pay for a resource, product, or service. The difference between the value that an activity generates and the cost of the activity is called the margin. A business with a differentiation strategy will add cost to an activity only as long as the activity has a positive margin.
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

73) Describe the primary activities in a value chain using an example.
Answer: In a bicycle manufacturing unit, the primary activities of a value chain are followed. The manufacturer acquires raw materials using the inbound logistics activity. This activity concerns the receiving and handling of raw materials and other inputs. The accumulation of those materials adds value in the sense that even a pile of unassembled parts is worth something to some customers. A collection of the parts needed to build a bicycle is worth more than an empty space on a shelf. The value is not only the parts themselves but also the time required to contact vendors for those parts, to maintain business relationships with those vendors, to order the parts, to receive the shipment, and so forth.
In the operations activity, the bicycle maker transforms raw materials into a finished bicycle, a process that adds more value. Next, the company uses the outbound logistics activity to deliver the finished bicycle to a customer. Of course, there is no customer to send the bicycle to without the marketing and sales value activity. Finally, the service activity provides customer support to the bicycle users.
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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74) What is a value chain? List the primary activities in a value chain.
Answer: A value chain is a network of value-creating activities. The generic value chain developed by Porter consists of five primary activities and four support activities. Primary activities are business functions that relate directly to the production of the organization's products or services. The primary activities are:
a. Inbound logistics–deals with receiving, storing, and disseminating inputs to the product.
b. Operations–involves transforming inputs into the final product.
c. Outbound logistics–deals with collecting, storing, and physically distributing the product to buyers.
d. Marketing and sales–involves inducing buyers to purchase the product and providing a means for them to do so.
e. Customer service–involves assisting customers' use of the product and thus maintaining and enhancing the product's value.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

75) Explain value chain linkages.
Answer: Porter's model of business activities includes linkages, which are interactions across value activities. For example, manufacturing systems use linkages to reduce inventory costs. Such a system uses sales forecasts to plan production; it uses the production plan to determine raw material needs and then uses the material needs to schedule purchases. The result is just-in-time inventory, which reduces inventory sizes and costs. Value chain analysis has a direct application to manufacturing businesses and also exists in service-oriented companies.
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

76) How did Porter define technology, human resources, and firm infrastructure?
Answer: Porter defined technology broadly. It includes research and development, but it also includes other activities within the firm for developing new techniques, methods, and procedures. Human resources include recruiting, compensation, evaluation, and training of full-time and part-time employees. Firm infrastructure includes general management, finance, accounting, legal, and government affairs.
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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77) Describe the support activities in a value chain.
Answer: Support activities are business functions that assist and facilitate the primary activities. The support activities in the generic value chain facilitate the primary activities and contribute only indirectly to the production, sale, and service of the product. They include procurement, which consists of the processes of finding vendors, setting up contractual arrangements, and negotiating prices. Porter defined technology broadly. It not only includes research and development, but it also includes other activities within the firm for developing new techniques, methods, and procedures. Human resources include recruiting, compensation, evaluation, and training of full-time and part-time employees. Firm infrastructure includes general management, finance, accounting, legal, and government affairs. Supporting functions add value, albeit indirectly, and they also have costs.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

78) According to Porter, the processes and systems in an organization pursuing differentiation strategy must _____ to avoid negative margins.
A) create sufficient value to cover their costs
B) provide products at the lowest costs to customers
C) develop and adopt new technologies
D) increase procurement
Answer: A
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AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.5: How do business processes generate value?
Classification: Concept

79) Which of the following statements is TRUE of business processes?
A) If a value chain's margin is negative, the value should be decreased.
B) Value chain activities differ based on the business processes being used.
C) If a value chain's margin is negative, the costs of the value chain should be increased.
D) The processes implementing a value chain must create sufficient value to cover their costs.
Answer: D
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.5: How do business processes generate value?
Classification: Concept

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80) Business processes implement value chains or portions of value chains.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.5: How do business processes generate value?
Classification: Concept

81) Each value chain is supported by one or more business processes.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.5: How do business processes generate value?
Classification: Concept

82) Value chain activities are not dependent on the competitive strategies used by organizations.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.5: How do business processes generate value?
Classification: Concept

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83) Two companies with the same value chain activities will have the same business processes.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.5: How do business processes generate value?
Classification: Concept

84) If a value chain's margin is negative, the company must reduce the cost of the value chain.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.5: How do business processes generate value?
Classification: Concept

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85) What is the criterion on which business processes should run?
Answer: According to Porter, whether business processes are low-cost or high-service, these processes and systems used must create sufficient value that they will more than cover their costs. If not, the margin of those systems will be negative. If a value chain's margin is negative, the company must make some changes. Either the value must be increased, or the costs of the value chain need to be reduced.
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.5: How do business processes generate value?
Classification: Concept

86) Which of the following is a product implementation principle of competitive advantage?
A) raise barriers to market entry
B) enhance existing products or services
C) establish alliances with other organizations
D) lock in customers and buyers
Answer: B
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

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87) Which of the following strategies is also called establishing high switching costs?
A) increasing production
B) locking in suppliers
C) reducing output
D) locking in customers
Answer: D
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

88) Which of the following is a process implementation principle of competitive advantage?
A) creating a new product
B) enhancing existing services
C) establishing alliances with other organizations
D) differentiating a service
Answer: C
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

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89) Which of the following is least likely to be an outcome of organizations forming alliances with each other?
A) promotion of product awareness
B) development of market size
C) establishment of standards
D) increment of purchasing costs
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

90) Jupiter Shop is an online store. Customers have to create an online account to purchase products. The purchased products are delivered free of cost. The address of delivery is stored so that customers can choose the same address for future purchases. Jupiter Shop features seasonal discounts and exchange offers. It also accumulates redeemable points for regular shoppers. Which of the following statements describes the use of information systems (IS) by Jupiter Shop to lock in customers?
A) providing free home delivery
B) saving the delivery addresses
C) offering seasonal discounts
D) collecting feedback online
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Answer: B
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

91) An information system can be part of a product, but it cannot provide support for a product or service.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

92) Raising barriers to market entry is a product implementation principle.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

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93) Establishing alliances with other organizations promotes product awareness.
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

94) Enhancing existing products and services is a competitive advantage created by the implementation of business processes.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

95) How can one develop competitive strategies using products? How can information systems help in the process?
Answer: Some competitive techniques are created through products and services, while some are created through the development of business processes. Three principles concern products and services. Organizations gain a competitive advantage by creating new products or services, by enhancing existing products or services, and by differentiating their products and services from those of their competitors.
An information system can be part of a product or it can provide support for a product or service.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

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96) Describe some competitive advantage strategies that are based on business processes.
Answer: Some of the competitive strategies that are based on business processes include:
1. Locking in customers–organizations can lock in customers by making it difficult or expensive for customers to switch to another product. This strategy is also called establishing high switching costs.
2. Locking in suppliers–organizations can lock in suppliers by making it difficult to switch to another organization, or, stated positively, by making it easy to connect to and work with the organization.
3. Creating entry barriers–competitive advantage can be gained by creating entry barriers that make it difficult and expensive for new competition to enter the market.
4. Establishing alliances–another means to gain competitive advantage is to establish alliances with other organizations. Such alliances establish standards, promote product awareness and needs, develop market size, reduce purchasing costs, and provide other benefits.
5. Reducing costs–organizations can gain competitive advantage by creating better business processes at reduced costs. Such reductions enable the organization to reduce prices and/or increase profitability.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

97) Ultimately, competitive strategy determines the structure, features, and functions of every information system.
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Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.1: How does organizational strategy determine information systems structure?
Classification: Concept

98) Which statement is an example of the threat of substitutions force?
A) frequent traveler's choice of auto rental
B) Toyota's purchase of auto paint
C) new car dealers
D) used car dealers
Answer: A
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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99) What is an example of a rivalry weak force in Porter's model?
A) a corner latte stand
B) used car dealers
C) Google or Bing (expensive to develop and market a search engine)
D) professional football team
Answer: C
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

100) If your company's competitive strategy was focus and differentiation, then the company would be known for _____.
A) better products/services within an industry segment
B) better product/service across the industry
C) lowest cost within an industry segment
D) lowest cost across the industry
Answer: A
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.2: What five forces determine industry structure?
Classification: Concept

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101) What must facilitate the organization's competitive strategy?
A) a few information systems
B) hardware for the company
C) all information systems
D) the organization's goals
Answer: C
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

102) Margin = Value - Cost
Answer: TRUE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

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103) Which of the following activities is a support activity?
A) customer service
B) shipping of products
C) acquiring parts
D) hiring employees
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.3: How does analysis of industry structure determine competitive strategy?
Classification: Concept

104) If your department collects, stores, and physically distributes products to buyers, your department is part of the _____ primary activity.
A) outbound logistics
B) sales and marketing
C) operations/manufacturing
D) customer service
Answer: A
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

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105) Support activities contribute directly to the production, sale, and service of the product.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Discuss the role of information systems in supporting business processes.
Learning Obj: LO 2.4: How does competitive strategy determine value chain structure?
Classification: Concept

106) If a value chain's margin is _____ the company cannot cover its costs and must make some changes.
A) negative
B) zero
C) positive
D) not part of the process
Answer: A
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.5: How do business processes generate value?
Classification: Concept

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107) All of the following are product implementations in Porter's Principles of Competitive Advantage EXCEPT _____.
A) create a new product or service
B) enhance products or services
C) differentiate products or services
D) lock in customers and buyers
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

108) If a company implements a policy that states if a customer leaves their firm, they will have to pay a $1,500 penalty, the company is implementing which of Porter's competitive advantages?
A) improving customer service
B) establishing alliances
C) lock in customers
D) lock in buyers
Answer: C
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.7: How do information systems provide competitive advantages?
Classification: Concept

109) A tech company that reaches a $1 billion valuation in a short period is known as a _____.
A) low-code company
B) partnership
C) unicorn
D) startup
Answer: C
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
Classification: Concept

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110) Companies in their initial stage of development are known as _____.
A) startups
B) partnership
C) new companies
D) green companies
Answer: A
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
Classification: Concept

111) Systems that require little to no programming to develop business applications are known as _____.
A) no code
B) low-code
C) hybrids
D) robotic processes automation
Answer: B
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
Classification: Concept

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112) Companies are using software robots, also known as _____, to automate routine business processes.
A) data sharing
B) workplace automation
C) intelligent automation
D) robotic process automation
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
Classification: Concept

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113) Combining _____ to improve decision making is called intelligent automation.
A) data sharing and robotic process automation
B) workplace automation and business processes
C) low-code systems and artificial intelligence
D) robotic process automation and artificial intelligence
Answer: D
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
Classification: Concept

114) Describe automated collaboration.
Answer: In the future, businesses will see a dramatic increase in automated collaboration. Instead of waiting for one worker to report an anomaly to another worker, we'll see workers automatically getting messages from information systems. Automated collaboration will improve business processes, data sharing, and workplace communication. We'll also see a dramatic rise in the use of chatbots to interact with customers.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
Classification: Concept

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115) What is causing a rapid change in the pace of innovation?
Answer: We are seeing a rapid change in the pace of innovation due to faster Internet speeds, greater processing power, new IoT devices, and improved hardware. Smartphones, artificial intelligence, drones, self-driving cars, 3D printing, and cloud\ computing have all matured in the past 20 years.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
Classification: Concept

116) Because of rapidly changing innovations, value chains will remain uninterrupted.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 1: Easy
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
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117) Robotic process automation (RPA) uses physical robots.
Answer: FALSE
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
Classification: Concept

118) Describe robotic process automation (RPA) bots. How does RPA benefit business?
Answer: RPA uses software "bots" to watch how workers process transactions, manipulate data, or respond to requests and then repeat the rule-based process in the same way. RPA can dramatically reduce labor costs, internal fraud, and human errors.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
Classification: Concept

119) Robotic process automation (RPA) focuses on automating _____ business processes.
A) existing
B) future
C) new
D) low-code
Answer: A
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AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
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120) What are low-code systems? How do they benefit organizations?
Answer: Low-code systems require little to no programming to develop business applications. Users will be able to quickly build applications in a visual way similar to creating a flow chart. Companies will adopt platforms that allow their employees to change their internal systems as their business model develops. Hiring teams of developers can be expensive. Low code systems provide companies with the ability to rapidly adapt to a changing environment without expensive traditional application development.
AACSB: Analytical Thinking
Difficulty: 2: Moderate
Course LO: Explain how IS can be used to gain and sustain competitive advantage.
Learning Obj: LO 2.8 What is the future of business processes and information systems?
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