Introduction to Information Systems 6th edition Rainer Test Bank

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Package Title: Test Bank
Course Title: Introduction to IS 6e
Chapter Number: 2
Answers in blue highlight

Question Type: Multiple Choice

1. Which of the following is NOT a service provided by GrubHub?
    A. 24/7 customer service
    B. Coupons
    C. Recommending healthy options
    D. Restaurant reviews

Answer: C
Difficulty: Medium
Section: Opening Case
Learning Objective: 1, 4
Bloom: Knowledge
AACSB: Information technology

2. Which of the following is NOT a benefit of GrubHub to restaurants?
    A. accurately predicting demand
    B. commission percentage
    C. free tablet
    D. managing orders

Answer: B
Difficulty: Easy
Section: Opening Case
Learning Objective: 1, 4
Bloom: Knowledge
AACSB: Information technology

3. _____ is a competitor of GrubHub.
    A. Amazon
    B. Boost
    C. Eat24
    D. Seamless

Answer: B
Difficulty: Medium
Section: Opening Case
Learning Objective: 1, 4
Bloom: Knowledge
AACSB: Information technology

4. A competitive advantage refers to any _____ that provide an organization with an edge against its _____ in some measure such as cost, quality, or speed.
    A. assets; competitors
    B. assets; customers
    C. costs; competitors
    D. costs; customers

Answer: A
Difficulty: Easy
Section: Introduction
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

5. _____ information system can be strategic _____.
    A. Any; because technology always provides an advantage
    B. Any; if it is used properly
    C. No; since everyone has access to technology
    D. No; when it is customized

Answer: A
Difficulty: Easy
Section: Introduction
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

6. Which of the following is NOT a fundamental element of a business process?
    A. Feedback
    B. Input
    C. Output
    D. Resources

Answer: A
Difficulty: Easy
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

7. _____ are materials, services, and information that flow through and are transformed as a result of process activities.
    A. Inputs
    B. Outputs
    C. Processes
    D. Resources

Answer: A
Difficulty: Easy
Section: Business Processes

Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

8. An order from a customer is a(n) _____ for a business process.
    A. Feedback
    B. Input
    C. Output
    D. Resource

Answer: A
Difficulty: Medium
Section: Business Processes
Learning Objective: 1
Bloom: Comprehension, Application
AACSB: Information technology

9. When a customer receives a product, this is a(n) _____ for a business process.
    A. Feedback
    B. Input
    C. Output
    D. Resource

Answer: C
Difficulty: Medium
Section: Business Processes
Learning Objective: 1
Bloom: Comprehension, Application
AACSB: Information technology

10. The manufacturing equipment a company purchases is a(n) _____ for a business process.
    A. Feedback
    B. Input
    C. Output
    D. Resource

Answer: D
Difficulty: Medium
Section: Business Processes
Learning Objective: 1
Bloom: Comprehension, Application
AACSB: Information technology

11. Which of the following is an example of an efficiency metric?
    A. Good work environment
    B. Helpful customer service
    C. High-quality products
    D. Short customer wait-times

Answer: D
Difficulty: Hard
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

12. Procurement is NOT completed in this functional area:
    A. Accounting
    B. Purchasing
    C. Sales
    D. Warehouse

Answer: C
Difficulty: Easy
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

13. Fulfillment is triggered in the _____ department.
    A. Accounting
    B. Purchasing
    C. Sales
    D. Warehouse

Answer: C
Difficulty: Easy
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

14. Information systems do NOT play a vital role in _____.
    A. capturing and storing process data
    B. executing business processes
    C. monitoring process performance
    D. All of the above

Answer: D
Difficulty: Easy
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

15. RFID tags and bar codes are used in which process?
    A. capturing and storing process data
    B. executing a process

C. monitoring process performance
D. all of the above

Answer: A
Difficulty: Medium
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

16. Dashboards are used in which process?
A. capturing and storing process data
B. executing a process
C. monitoring process performance
D. all of the above

Answer: A
Difficulty: Hard
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge, Application
AACSB: Information technology

17. NASCAR's pre-race inspection is a _____.
A. Business process
B. Reengineering tool
C. Response to societal pressure
D. Strategic advantage

Answer: A
Difficulty: Easy
Section: NASCAR Uses IT in Its Pre-Race Inspection
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

18. Which of the following is TRUE of NASCAR's pre-race inspection app?
A. It makes it easier for race car drivers to ensure their cars pass inspection the first time.
B. It probably met with little resistance from people who were used to the tedious paper forms.
C. Officials can annotate violations with digital notes and photographs.
D. The dashboard makes it easy to quickly enter violations into the system.

Answer: C
Difficulty: Medium
Section: NASCAR Uses IT in Its Pre-Race Inspection
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

19. Which of the following is NOT a benefit of NASCAR's pre-race inspection app?
    A. It makes it easier for race car drivers to ensure their cars pass inspection the first time.
    B. NASCAR executives can identify trends and patterns to help maintain a level playing field for all racers.
    C. NASCAR officials can drill down on any vehicle to review details about any pending issues.
    D. The pre-race inspection process has been simplified.

Answer: A
Difficulty: Easy
Section: NASCAR Uses IT in Its Pre-Race Inspection
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

20. _____ is the result of optimizing the design, development, and production processes.
    A. Cost reduction
    B. Differentiation
    C. Productivity
    D. Quality

Answer: D
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

21. _____ is the result of optimizing operations and supplier processes.
    A. Cost reduction
    B. Differentiation
    C. Productivity
    D. Quality

Answer: A
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

22. _____ is the result of optimizing the marketing and innovation processes.
    A. Cost reduction
    B. Differentiation
    C. Productivity

D. Quality

Answer: B
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

23. _____ is a methodology for achieving incremental improvements in the effectiveness and efficiency of a process.
    A. BPI
    B. BPM
    C. BPR
    D. BPS

Answer: A
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

24. _____ is the most difficult, radical, lengthy, and comprehensive strategy.
    A. BPI
    B. BPM
    C. BPR
    D. BPS

Answer: C
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

25. Six Sigma is a popular _____ methodology.
    A. BPI
    B. BPM
    C. BPR
    D. BPS

Answer: A
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2

Bloom: Knowledge
AACSB: Information technology

26. The _____ stage in BPI is characterized by establishing process metrics and monitoring the improved processes.
    A. Analysis
    B. Control
    C. Improve
    D. Measure

Answer: B
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

27. Chevron employed _____ to provided detailed work instructions to its employees.
    A. Lean Six Sigma
    B. Nimbus
    C. SAP
    D. Six Sigma

Answer: B
Difficulty: Medium
Section: IT's About Business: BPR, BPI, and BPM at Chevron
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

28. Chevron initially utilized _____ to improve their supply chain, followed by employee-driven _____ initiatives, and then adopted a unified _____ approach to standardize business processes.
    A. BPI, BPM, BPR
    B. BPM, BPI, BPR
    C. BPR, BPI, BPM
    D. BPS, BPR, BPM

Answer: C
Difficulty: Easy
Section: IT's About Business: BPR, BPI, and BPM at Chevron
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

29. Chevron has used _____, a methodology that combines statistical process analysis with techniques to eliminate waste and improve process flow, since 2006.
    A. Lean Six Sigma
    B. Nimbus
    C. SAP
    D. Six Sigma

Answer: A
Difficulty: Medium
Section: IT's About Business: BPR, BPI, and BPM at Chevron
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

30. Which of the following is a type of societal/political/legal pressure?
    A. Carbon management
    B. Globalization
    C. Innovation
    D. Powerful customers

Answer: A
Difficulty: Easy
Section: Business Pressures, Organizational Responses, and Information Technology Support
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

31. Sarbanes-Oxley is an example of _____
    A. a government regulation
    B. customer focus
    C. an ethical issue
    D. our social responsibility

Answer: A
Difficulty: Easy
Section: Business Pressures, Organizational Responses, and Information Technology Support
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

32. Palantir is NOT primarily used for _____.
    A. detecting fraud
    B. identifying patterns
    C. pricing mortgages
    D. privacy protection

Answer: D
Difficulty: Hard
Section: Business Pressures, Organizational Responses, and Information Technology Support
Learning Objective: 3

Bloom: Comprehension
AACSB: Information technology

33. BYOD stands for
    A. Be Your Online Discussion
    B. Be Your Own Deadline
    C. Bring Your Online Decision
    D. Bring Your Own Device

Answer: D
Difficulty: Easy
Section: Business Pressures, Organizational Responses, and Information Technology Support
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

34. Which of the following is a problem with BYOD?
    A. Cost
    B. Productivity
    C. Satisfaction
    D. Security

Answer: D
Difficulty: Medium
Section: Business Pressures, Organizational Responses, and Information Technology Support
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

35. Banks have a lot of competition locally in addition to competing with online banks. This concept applies to _____.
    A. Bargaining power of buyers
    B. Bargaining power of suppliers
    C. Threat of entry of new competitors
    D. Threat of substitute products or services

Answer: A
Difficulty: Hard
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Application
AACSB: Information technology

36. The web _____ buyer power.
    A. decreases
    B. increases
    C. has no impact on
    D. has a mixed impact on

Answer: D

Difficulty: Medium
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Application
AACSB: Information technology

37. Which of the following is a support activity in Porter's value chain model?
    A. Customer service
    B. Human resource management
    C. Logistics
    D. Operations

Answer: B
Difficulty: Medium
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Application
AACSB: Information technology

38. WalMart has a(n) _____ strategy.
    A. Cost leadership
    B. Customer orientation
    C. Differentiation
    D. Innovation

Answer: A
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

39. Which of the following is TRUE?
    A. Alignment within a single organization is fairly easy.
    B. Businesses can utilize enterprise architectures to foster alignment.
    C. Most organizations are able to achieve alignment.
    D. Most IT and business executives agree on their level of alignment.

Answer: B
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

40. Which of the following is NOT a characteristic of alignment?
    A. Organizations rotate business and IT professionals across departments and job functions
    B. Organizations create a vibrant and inclusive company culture

C. Organizations view their IT department employees as supremely important
D. Organizations provide overarching goals that are completely clear to each IT and business employee

Answer: C
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

41. The OLPC's experiment with solar-powered tablets took place in _____.
A. Bangladesh
B. Ethiopia
C. Rural US communities
D. Uganda

Answer: B
Difficulty: Easy
Section: IT's About Business: Solar-Powered Tablets in Ethiopia
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

42. The OLPC's experiment with solar-powered tablets in Ethiopia _____.
A. showed some promise of being successful
B. showed very little promise of being successful
C. was a major failure
D. was a major success

Answer: D
Difficulty: Easy
Section: IT's About Business: Solar-Powered Tablets in Ethiopia
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

43. The goal of OLPC's experiment with solar-powered tablets in Ethiopia was to ____.
A. improve literacy in children
B. reduce the digital divide
C. see if under-developed countries could use technology
D. test alternatives to battery power

Answer: A
Difficulty: Easy
Section: IT's About Business: Solar-Powered Tablets in Ethiopia
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

44. The Weather Channel is a powerful and well-known brand that is _____ viewers.
    A. gaining
    B. losing
    C. maintaining
    D. training

Answer: B
Difficulty: Easy
Section: IT's About Business: The Weather Channel
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

45. Which of the following is NOT a reason The Weather Channel is losing customers?
    A. Mobile devices are now the primary source of weather information.
    B. People prefer highly accurate short-term weather predictions rather than semi-reliable five-day forecasts.
    C. They don't have a mobile app.
    D. They show too many reality TV shows.

Answer: C
Difficulty: Medium
Section: IT's About Business: The Weather Channel
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

46. _____ is NOT one of The Weather Channel's main competitors.
    A. Dark Sky
    B. Sky Motion
    C. WeatherSphere
    D. Wunderground

Answer: D
Difficulty: Easy
Section: IT's About Business: The Weather Channel
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

47. Startups like Dark Sky can predict to the minute when it is going to start raining or snowing within the next hour because they _____.
    A. are magicians and psychics
    B. hired superior weather forecasters with PhDs
    C. integrate and analyze data to improve short-term forecasting
    D. really understand the weather better than anybody else

Answer: C
Difficulty: Easy

Section: IT's About Business: The Weather Channel
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

48. IBM's Watson _____.
    A. can process structured and unstructured content
    B. can diagnose diseases and recommend treatment
    C. won *Jeopardy!*
    D. All of the above

Answer: D
Difficulty: Easy
Section: Closing Case
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

49. IBM's Watson _____ *Jeopardy!*.
    A. lost to Ken Jennings on
    B. was able to access Wikipedia while on
    C. won $1 million on
    D. none of the above

Answer: C
Difficulty: Easy
Section: Closing Case
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

50. IBM's Watson is a(n) _____.
    A. Dashboard
    B. ERP system
    C. Expert system
    D. FAIS

Answer: C
Difficulty: Hard
Section: Closing Case
Learning Objective: 1
Bloom: Application
AACSB: Information technology

51. IBM's Watson is used in which of the following industries?
    A. Agriculture
    B. Energy
    C. Healthcare
    D. Retail

Answer: C
Difficulty: Easy
Section: Closing Case
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

Question Type: True/False

1. Effectiveness focuses on doing the right things.

Answer: True
Difficulty: Medium
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

2. Organizations adopt BPI to sustain BPM over time.

Answer: False
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

3. Chevron's strategy was to analyze its existing processes to identify specific areas to improve.

Answer: False
Difficulty: Easy
Section: IT's About Business: BPR, BPI, and BPM at Chevron
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

4. In mass production, a company produces a large quantity of items that are customized to individual customers.

Answer: False
Difficulty: Easy
Section: Business Pressures, Organizational Responses, and Information Technology Support
Learning Objective: 3
Bloom: Knowledge

AACSB: Information technology

5. The bargaining power of buyers is low when buyers have many choices and high when buyers have few choices.

Answer: False
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

6. Alignment often fails because business and IT managers have different objectives.

Answer: True
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

7. "Organizations promote business and IT professionals within their departments so they become the experts in their functional area" is NOT a characteristic of excellent alignment.

Answer: True
Difficulty: Medium
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

Question Type: Fill-in-the-Blank

1. _____are the people and equipment that perform process activities.

Answer: Resources
Difficulty: Easy
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

2. Business process_____ is a management system that includes methods and tools to support the design, analysis, implementation, management, and continuous optimization of core business processes throughout the organization.

Answer: management
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

3. _____ relationship management is an organization-wide effort toward maximizing the customer experience.

Answer: Customer
Difficulty: Easy
Section: Business Pressures, Organizational Responses, and Information Technology Support
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

4. Strategic information systems provide a _____ by helping an organization implement its strategic goals and improve its performance and productivity.

Answer: competitive advantage
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

5. Business-information technology alignment is the tight integration of the _____ with the organization's strategy, mission, and goals.

Answer: IT function
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

Question Type: Essay

1. In what three areas do information systems play a vital role? For each area, where is the information system involved? Describe a business example for each area.

Answer:
1) Executing the process

a. Embedded/intertwined; Process fails without system working
b. Example – if the system is down, the company can't take orders

2) Capturing and storing process data
a. Sometimes happens inside the system but sometimes has to be entered into it
b. Example – analytics, decision-making systems

3) Monitoring process performance
a. Instance level (specific task) or process level (the whole process); evaluation
b. Example – making sure everything is running smoothly (dashboards)

Difficulty: Medium
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge, Comprehension
AACSB: Written and oral communication, Information technology, Application of knowledge

2. In your own words (i.e. go beyond the book definitions), what is the difference between BPI, BPM, and BPR? If you joined the upper management team of a local manufacturing company, how could you potentially use BPI, BPM, and BPR?

Answer:

1) BPI = incremental improvements; BPM = maintaining BPI over time; BPR = radical improvements
2) BPI = getting employees to recommend ways their department could do things better; BPM = ensure business processes are continually aligned with the strategy (meeting frequently with lower management); BPR = implementing a new ERP system

Difficulty: Easy (first question), Hard (second question)
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Comprehension, Application
AACSB: Written and oral communication, Information technology, Application of knowledge

3. What are the three market pressures discussed in the book? List one positive and one negative for businesses that result from these pressures.

Answer:

1) Globalization
a. Positive = more customers because businesses can be everywhere
b. Negative = having to deal with many different cultures/needs

2) Changing Nature of the Workforce
a. Positive = access to many more people who couldn't work in the past
b. Negative = have to adjust environments to work with those people

3) Powerful Customers
a. Positive = getting a lot more feedback from customers
b. Negative = customers with bad experiences have a lot more power to influence potential customers in a bad way

Difficulty: Medium

Section: Business Pressures, Organizational Responses, and Information Technology Support
Learning Objective: 3
Bloom: Knowledge, Evaluation
AACSB: Written and oral communication, Analytical thinking, Information technology, Application of knowledge

4. List and describe Porter's five forces and the ways the Web influences them. Evaluate a SINGLE COMPANY with each force (include your logic for your evaluation).

Answer:

1) Threat of entry of new competitors = the threat that new competitors will enter your market is high when entry is easy and low when there are significant barriers to entry; web = increases because easy to create a website but decreases because first mover will set the standard
2) Bargaining power of suppliers = supplier power is high when buyers have few choices from whom to buy and low when buyers have many choices; web = increases because integrating supply chain increases switching costs but decreases because it is easier to shop around
3) Bargaining power of buyers = buyer power is high when buyers have many choices from whom to buy and low when buyers have few choices; web = decreases because loyalty programs increase switching costs but increases because it is easier to shop around
4) Threat of substitute products or services = the threat of substitutes is high when there are many alternatives to an organization's products or services; web = increases because substitutes can be created rapidly where information-based industries have highest threat but decreases if can create switching costs
5) Rivalry among existing firms in the industry = threat from rivalry is high when there is intense competition among many firms in an industry; web = increases because of transparency

NOTE: for the evaluation piece, students can argue high or low but their logic must be sound as noted above

Difficulty: Medium
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge, Comprehension, Application
AACSB: Written and oral communication, Information technology, Application of knowledge

5. List, describe, and provide a real world example of the five different strategies for competitive advantage.

Answer:

1) Cost leader – selling at the lowest price; Walmart
2) Differentiation – selling a different product; Porsche
3) Innovation – selling something new; Apple
4) Operational effectiveness – being more efficient; Walmart
5) Customer oriented – treating customers better; Zappos

Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge, Comprehension, Application
AACSB: Written and oral communication, Information technology, Application of knowledge

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