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ESSENTIALS OF BUSINESS INFORMATION SYSTEMS

SEVENTH EDITION



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Chapter 1
Business Information Systems in Your Career

Multiple Choice Questions

1. One of the recent critical challenges facing Major League Baseball was:
- a. poor coordination between local and national sales channels.
 - b. poorly managed sales channels.
 - c. outdated information systems.
 - d. decreasing ticket sales.

Answer: d

Difficulty: Medium

Reference: p. 3

2. The six important business objectives of information technology are new products, services, and business models; customer and supplier intimacy; survival; competitive advantage, operational excellence, and:
- a. improved flexibility.
 - b. improved decision making.
 - c. improved business practices.
 - d. improved efficiency.

Answer: b

Difficulty: Easy

Reference: p. 6

3. Dell Computer's use of information systems to improve efficiency and implement "mass customization" techniques to maintain consistent profitability and an industry lead illustrates which business objective?
- a. Improved flexibility
 - b. Improved business practices
 - c. Competitive advantage
 - d. Survival

Answer: c

Difficulty: Hard

Reference: p. 8

4. The use of information systems because of necessity is:
- a. survival
 - b. improved business practices
 - c. competitive advantage
 - d. improved flexibility

Answer: a

Difficulty: Medium

Reference: p. 9

5. (Analysis)

Which of the following choices may lead to competitive advantage (1) new products, services, and business models; (2) charging less for superior products; (3) responding to customers in real-time?

- a. 1 only
- b. 1 and 2
- c. 2 and 3
- d. 1, 2, and 3

Answer: d

Difficulty: Hard

Reference: p. 8

Analysis in terms of compare

6. Verizon's implementation of a Web-based digital dashboard to provide managers with real-time information such as customer complaints is an example of:

- a. improved flexibility.
- b. improved decision-making.
- c. improved efficiency.
- d. customer and supplier intimacy.

Answer: b

Difficulty: Medium

Reference: p. 8

7. The move of retail banking to use ATMs after Citibank unveiled its first ATMs illustrates the information system business objective of:

- a. improved efficiency.
- b. customer and supplier intimacy.
- c. survival.
- d. competitive advantage.

Answer: c

Difficulty: Medium

Reference: p. 9

8. What term is used to refer to all of the computer-based information systems used by organizations and their underlying technologies?

- a. Network technology
- b. Digital technology
- c. Information technology
- d. Productivity technology

Answer: c

Difficulty: Easy

Reference: p. 10

9. An information system can be defined technically as a set of interrelated components that collect (or retrieve), process, store, and distribute information to support:
- a. decision making and control in an organization
 - b. communications and data flow
 - c. managers analyzing the organization's raw data
 - d. the creation of new products and services

Answer: a

Difficulty: Medium

Reference: p. 10

10. The three activities in an information system that produce the information organizations use to control operations are:
- a. information retrieval, research, and analysis.
 - b. input, output, and feedback.
 - c. input, processing, and output.
 - d. data analysis, processing, and feedback

Answer: c

Difficulty: Easy

Reference: p. 11

11. Order data for baseball tickets and bar code data are examples of:
- a. raw input.
 - b. raw output.
 - c. customer and product data.
 - d. sales information.

Answer: a

Difficulty: Easy

Reference: p. 11

12. (Analysis)

The average number of tickets sold daily online is an example of:

- a. input.
- b. raw data.
- c. meaningful information.
- d. output.

Answer: c

Difficulty: Easy

Reference: p. 11

Analysis in terms of categorize

13. Output:

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

Answer: d

Difficulty: Easy

Reference: p. 11

14. Converting raw data into a more meaningful form is called:

- a. capturing.
- b. processing.
- c. organizing.
- d. feedback.

Answer: b

Difficulty: Easy

Reference: p. 11

15. Electronic computers and related software programs are the technical foundation, the tools and materials, of:

- a. all business procedures.
- b. information accumulation.
- c. modern information systems.
- d. all industrialized countries.

Answer: c

Difficulty: Medium

Reference: p. 11

16. (Analysis)

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

- a. 13 Toyotas sold daily in Kentucky
- b. 13 Toyota RAV 4s sold during March 2006 in Louisville, Kentucky
- c. 1 Toyota RAV4s sold March 3, 2005 in Louisville, Kentucky
- d. All of the above

Answer: d

Difficulty: Hard

Reference: p. 11

Analysis in terms of categorize

17. The field that 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 is called:
- a. information systems literacy.
 - b. information systems architecture.
 - c. management information systems.
 - d. information technology infrastructure.

Answer: c

Difficulty: Medium

Reference: p. 11

18. In a hierarchical organization, the upper levels consist of:
- a. managerial and professional workers.
 - b. managerial, professional, and technical workers.
 - c. professional and operational workers.
 - d. managerial, professional, and operational workers.

Answer: b

Difficulty: Medium

Reference: p. 13

19. A hierarchy:
- a. is based on a clear-cut division of labor.
 - b. is composed primarily of experts trained for different functions.
 - c. is a pyramid structure or rising authority and responsibility.
 - d. all of the above.

Answer: c

Difficulty: Easy

Reference: p. 13

20. The fundamental set of assumptions, values, and ways of doing things, that has been accepted by most of a company's members is called its:
- a. culture.
 - b. environment.
 - c. atmosphere.
 - d. values.

Answer: a

Difficulty: Easy

Reference: p. 13

21. Business processes:
- a. include informal work practices.
 - b. are used primarily for sales and accounting functions.
 - c. are governed by information technology.
 - d. are logically related tasks used primarily by operational personnel.

Answer: a

Difficulty: Easy

Reference: p. 13

22. Data management technology consists of:
- a. the physical hardware and media used by an organization for storing data.
 - b. the detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.
 - c. the software governing the organization of data on physical storage media.
 - d. the hardware and software used to transfer data.

Answer: c

Difficulty: Medium

Reference: p. 14

23. The hardware and software used to transfer data in an organization is called:
- a. data management technology.
 - b. networking and data management technology.
 - c. data and telecommunications technology.
 - d. networking and telecommunications technology.

Answer: d

Difficulty: Medium

Reference: p. 14

24. Networking and telecommunications technologies, along with the people required to run and manage them, constitute an organization's:
- a. data management environment.
 - b. networked environment.
 - c. IT infrastructure.
 - d. information system.

Answer: c

Difficulty: Medium

Reference: p. 15

25. An intranet uses:
- a. mainframe technology.
 - b. infrared telecommunications systems.
 - c. the telecommunications capacities of fiber optic networks.
 - d. internet technology within the boundaries of the firm.

Answer: d

Difficulty: Medium

Reference: p. 22

26. The first step in the four-step model of business problem solving is:
- a. agreeing that a problem exists.
 - b. identifying the problem.
 - c. outlining the problem's causes.
 - d. assigning the problem to a problem solver.

Answer: b

Difficulty: Easy

Reference: p. 18

27. Inadequate data management is an example of the _____ dimension of business problems.

- a. technical
- b. organizational
- c. people
- d. management

Answer: a

Difficulty: Medium

Reference: p. 18

28. Legal and regulatory compliance is an example of which dimension of business problem?

- a. Management
- b. Organizational
- c. People
- d. Ethical

Answer: c

Difficulty: Hard

Reference: p. 18

29. Aging hardware and outdated software are examples of which dimension of business problem?

- a. Technical
- b. Infrastructure
- c. Information Systems
- d. Organizational

Answer: a

Difficulty: Easy

Reference: p. 18

30. Poor business processes and unsupportive culture are examples of which dimension of business problem:

- a. management
- b. organizational
- c. people
- d. infrastructure

Answer: b

Difficulty: Easy

Reference: p. 18

31. (Synthesis)

The owners of Speed-EZ, a new bike messenger service, are concerned about how they will manage their messengers once they have left the office. This is a business problem that falls into the:

- a. management dimension.
- b. people dimension.
- c. organizational dimension.
- d. technical dimension.

Answer: b

Difficulty: Medium

Reference: p. 18

Synthesis in terms of bringing knowledge together

32. (Synthesis)

Flapjack Flats, a new pancake 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.

Answer: c

Difficulty: Medium

Reference: p. 18

Synthesis in terms of bringing knowledge together

33. In choosing the best solution for a business problem, one of the most important considerations is:

- a. change management.
- b. existing resources and skills.
- c. employee training.
- d. outcome measurement.

Answer: b

Difficulty: Hard

Reference: p. 19

34. The failure of NASA's initial solution to preventing the space shuttle shedding foam illustrates:

- a. the importance of training employees on new business processes.
- b. the need to prepare for measuring outcomes of a business solution.
- c. the continuous nature of problem solving.
- d. the need to quickly adapt to new technological innovations.

Answer: c

Difficulty: Medium

Reference: p. 19

35. The final step in the four-step model of business problem solving is:

- a. outcome.
- b. implementation.
- c. change management.
- d. feedback.

Answer: b

Difficulty: Easy

Reference: p. 19

36. A major criterion in deciding the most important perspectives of a business problem is:

- a. implementation.
- b. change management.
- c. usefulness.
- d. organizational perspective.

Answer: c

Difficulty: Hard

Reference: p. 20

37. One of the most frequent errors in problem solving is:

- a. rushing to judgment.
- b. not being aware of personal limitations.
- c. being too doubtful.
- d. following a rote pattern of decision making.

Answer: a

Difficulty: Medium

Reference: p. 20

38. An example of a business using information systems to create new products and services is:

- a. Blockbuster's creation of a new online movie-rental system similar to that of Netflix.
- b. Seven-Eleven's new retail information system analyzing sales data to determine customer needs at each location.
- c. China Telecom's enterprise system designed to comply with international reporting regulations.
- d. MLB's Web sites for online "fantasy" games.

Answer: d

Difficulty: Hard

Reference: p. 21

39. An example of a business using information systems to attain competitive advantage is:

- a. Blockbuster's creation of a new online movie-rental system similar to that of Netflix.
- b. Seven-Eleven's new retail information system analyzing sales data to determine customer needs at each location.
- c. China Telecom's enterprise system designed to comply with international reporting regulations.
- d. MLB's Web sites for online "fantasy" games.

Answer: a.

Difficulty: Hard

Reference: p. 21

40. An example of a business using information systems for survival is:
- a. Blockbuster's creation of a new online movie-rental system similar to that of Netflix.
 - b. Seven-Eleven's new retail information system analyzing sales data to determine customer needs at each location.
 - c. China Telecom's enterprise system designed to comply with international reporting regulations.
 - d. MLB's Web sites for online "fantasy" games.

Answer: c

Difficulty: Hard

Reference: p. 21

41. An information skill important for an accounting major would be:
- a. an understanding of system and network security issues.
 - 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.

Answer: a

Difficulty: Medium

Reference: pp 22-29

42. An information skill important for a marketing major would be:
- a. an understanding of system and network security issues.
 - 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.

Answer: b

Difficulty: Medium

Reference: pp 22-29

43. (Analysis) Sonic's use of point-of-sales terminals to track purchasing trends at different outlets is an example of:
- a. using information systems to create new business processes.
 - b. relegating information systems to a secondary role.
 - c. using information systems to achieve competitive advantage.
 - d. using information systems to achieve customer intimacy.

Answer: d.

Difficulty: Hard

Reference: p. 23

Analysis in terms of examine

44. One of the very first business applications of information systems was:
- a. operations management.
 - b. real estate sales.
 - c. accounting.
 - d. operations analysis.

Answer: c

Difficulty: Hard

Reference: p. 24

45. Maintaining the organization's financial records is a business function of:

- a. accounting.
- b. finance.
- c. sales.
- d. marketing.

Answer: a

Difficulty: Easy

Reference: p. 24

46. Promoting the organization's products and services is a business function of:

- a. manufacturing and production.
- b. finance and accounting.
- c. human resources.
- d. sales and marketing.

Answer: d

Difficulty: Easy

Reference: p. 25

47. Types of marketing managers include:

- a. sales managers and administrative service managers.
- b. administrative service managers and sales representatives.
- c. sales representatives and promotion managers.
- d. promotion managers and sales managers.

Answer: d

Difficulty: Easy

Reference: p. 25

48. Operations management as a discipline is directly relevant to three occupational categories:

- a. industrial production managers, operations analysts, and administrative service managers.
- b. project managers, production managers, and administrative service managers.
- c. project managers, production managers, and industrial production managers.
- d. finance, accounting, and management.

Answer: a

Difficulty: Medium

Reference: p. 26

49. 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

Answer: b.

Difficulty: Medium

Reference: p. 24

50. For the U.S., the most common and successful offshore outsourcing has been:

- a. technical positions in information systems.
- b. managerial positions in information systems.
- c. support positions in operations management.
- d. managerial positions in operations management.

Answer: a.

Difficulty: Easy

Reference: pp 28-29

51. (Evaluation)

What was the most important impact of Major League Baseball's Web site development efforts:

- a. created a strategic advantage for major league baseball.
- b. increased the efficiency of baseball operations.
- c. strengthened the relationship with customers and suppliers.
- d. made it possible for major league baseball to survive.

Answer: c

Difficulty: Hard

Reference: pp 3-10

Evaluation in the sense of appraise, assess, estimate, judge.

52. (Evaluation)

Based on your reading of the Sonic case and other examples in the chapter, if you were asked to formulate a plan for a regional drive-in restaurant chain's efforts to use information technology to attract customers, what would be the best use of information technology from the list below:

- a. use IT to increase supplier loyalty.
- b. use IT to increase operational efficiency.
- c. use IT to create new products and business models.
- d. use IT to help survive government reporting requirements.
- e. use IT to achieve customer intimacy.

Answer: e

Difficulty: Hard

Reference: p 23

Evaluation in the sense of appraise, assess, estimate, judge.

53. (Analyze)

The fact that online advertising revenues are growing at 30% a year, while offline traditional advertising is growing at about 5% a year, suggests that:

- a. internet advertising is very inexpensive.
- b. offline line traditional advertising is not very effective.
- c. the Internet is transforming the traditional advertising business model.
- d. new technologies are more efficient at selling to customers.

Answer: c Difficulty: Hard Reference: p. 6

54. Analyze in the sense of appraise, distinguish, put facts into a context
(Synthesize)

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, perhaps one which uses modern information technologies. 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.

Answer: c Difficulty: Hard Reference: p. 18

55. Synthesize in the sense of arrange, assemble, organize
(Evaluate)

In the UPS case the company's culture places service to the customer among the company's highest business objectives. Based on your reading of Chapter 1, why is "culture" an important factor to consider when building information system solutions to business problems?

- a. business culture has to be synchronized with new technology
- b. the business culture provides the vision and inspiration for information system solutions
- c. people are a company's most important asset
- d. businesses without culture do not understand new technology

Answer: b Difficulty: Hard Reference: p. 13

Evaluation in the sense of appraise, assess, estimate, judge.

Chapter 2
E-Business: How Businesses Use Information Systems

Multiple-Choice Questions

1. Analysis

Kia's difficulties in getting a complete picture of defects in their cars illustrates:

- a. the difficulties in creating accurate tracking systems.
- b. the challenges posed by having multiple information systems that are not linked.
- c. the difficulties in complying with government regulations.
- d. the compromises made in drawing accurate reports from poorly planned information systems.

Answer: b

Difficulty: Easy

Reference: p. 40

Analysis in terms of differentiating

2. (Analysis, Synthesis) How would you best categorize the types of systems Kia implemented in their defect early warning system?

- a. A TPS to store basic data about vehicles, parts, sales, and warranties, and an MIS to create reports on the data.
- b. A TPS to store basic data about vehicles, parts, sales, and warranties, and a DSS for high-level analysis and forecasts.
- c. An MIS to create reports from existing TPSs and a DSS for high-level analysis and forecasts.
- d. A production and manufacturing system to record basic data about faulty parts and a DSS for high-level analysis and forecasts.

Answer: c

Difficulty: Hard

Reference: p. 39-41

Analysis in terms of differentiating, Synthesis in terms of bringing parts of knowledge together.

3. The five basic entities that make up any business are suppliers, customers, employees, products and services, and:

- a. its environment.
- b. manufacturing and production.
- c. sales and marketing.
- d. invoices and payments.

Answer: d

Difficulty: Medium

Reference: p. 43

4. Which of the following is a cross-functional business process?
- a. hiring an employee.
 - b. identifying a customer.
 - c. fulfilling a customer order.
 - d. creating an invoice.

Answer: c

Difficulty: Easy

Reference: p. 43

5. Employees that assist with paperwork at all levels of the firm are called:
- a. data workers.
 - b. knowledge workers.
 - c. operational management.
 - d. service workers.

Answer: a

Difficulty: Easy

Reference: p. 44

6. The three principal levels of hierarchies within a business organization are:
- a. management, knowledge workers, and service workers.
 - b. senior management, middle management, and operational management.
 - c. management, data workers, and operational management.
 - d. senior management, middle management, and service workers.

Answer: b

Difficulty: Easy

Reference: p. 44

7. Key actors in a business's immediate environment include:
- a. regulations.
 - b. technology.
 - c. economy.
 - d. politics.

Answer: a

Difficulty: Hard

Reference: p. 45

8. Promoting the organization's products or services is a responsibility of the:
- a. finance and accounting function.
 - b. human resources function.
 - c. manufacturing and production function.
 - d. sales and marketing function.

Answer: d

Difficulty: Easy

Reference: p. 47

9. Market research is an activity associated with the:

- a. Finance and accounting function
- b. Human resources function
- c. Manufacturing and production function
- d. Sales and marketing function

Answer: d

Difficulty: Easy

Reference: p. 47

10. Pricing analysis is an example of:

- a. a sales and marketing information system serving senior management.
- b. a sales and marketing information system serving management.
- c. a finance and accounting information system serving senior management.
- d. a finance and accounting information system serving management.

Answer: b

Difficulty: Medium

Reference: p. 47

11. A sales and marketing information system aids operational management in:

- a. tracking sales.
- b. planning new products and services.
- c. analyzing sales performance.
- d. preparing sales forecasts.

Answer: a

Difficulty: Medium

Reference: p. 47

12. A sales and marketing information system aids middle management employees in:

- a. tracking sales.
- b. planning new products and services.
- c. analyzing sales performance.
- d. preparing sales forecasts.

Answer: c

Difficulty: Medium

Reference: p. 47

13. Equipment scheduling and facilities maintenance are functions of:

- a. Finance and accounting systems.
- b. Human resources systems.
- c. Manufacturing and production systems.
- d. Sales and marketing systems.

Answer: c

Difficulty: Easy

Reference: p. 48

14. Senior management uses finance and accounting information systems to:

- a. plan long-term profits.
- b. decide where to locate new facilities.
- c. forecast sales trends.
- d. control the firms' financial resources.

Answer: c

Difficulty: Medium

Reference: p. 49

15. Budgeting is typically a feature of an information system serving:

- a. operational management.
- b. sales and marketing.
- c. senior management.
- d. middle management.

Answer: d

Difficulty: Easy

Reference: p. 49

16. A finance and accounting information system aids operational management with:

- a. establishing long term investment goals.
- b. profit planning.
- c. accounts receivable.
- d. budgeting.

Answer: c

Difficulty: Medium

Reference: p. 49

17. Compensation analysis is an example of:

- a. finance and accounting information systems.
- b. enterprise application information systems.
- c. human resources information systems.
- d. sales and marketing information systems.

Answer: c

Difficulty: Easy

Reference: p. 50

18. TPSs are the basic business systems that serve which level of the organization?

- a. senior management.
- b. middle management.
- c. operational.
- d. knowledge management.

Answer: c

Difficulty: Easy

Reference: p. 51

19. A computerized system that performs and records the daily dealings necessary to conduct business is classified as a(n):
- a. executive support system.
 - b. management-level system.
 - c. operational-level system.
 - d. transaction-level system.

Answer: d

Difficulty: Easy

Reference: p. 51

20. A relocation control system that reports summaries on the total moving, house-hunting, and home financing costs for employees in all company divisions would fall into the category of:
- a. knowledge management systems.
 - b. operational-level systems.
 - c. executive-support systems.
 - d. management-level systems.

Answer: d

Difficulty: Hard

Reference: p. 51-55

21. The term “management information systems” designates a specific category of information systems serving:
- a. integrated data processing throughout the firm.
 - b. transaction process reporting.
 - c. employees with online access to historical records.
 - d. middle management functions.

Answer: d

Difficulty: Easy

Reference: p. 53

22. The principal purpose of _____ is to answer routine questions and to track the flow of transactions through the organization.
- a. senior management-level systems.
 - b. operational-level systems.
 - c. management-level systems.
 - d. knowledge management systems.

Answer: b

Difficulty: Easy

Reference: p. 53

23. Managers need _____ to monitor the status of internal operations and the firm’s relations with the external environment.
- a. decision support systems
 - b. knowledge systems
 - c. transaction processing systems
 - d. management information systems

Answer: c

Difficulty: Medium

Reference: p. 53

24. Management-level systems are information systems that support the:
- a. long-range planning activities of senior management.
 - b. knowledge and data workers in an organization.
 - c. decision-making and administrative activities of middle managers.
 - d. day-to-day processes of production.

Answer: c

Difficulty: Easy

Reference: p. 53

25. These systems are designed to summarize and report on the company's basic operations.
- a. decision-support systems
 - b. executive information systems
 - c. transaction processing systems
 - d. management information systems

Answer: d

Difficulty: Medium

Reference: p. 53

26. These systems are typically a major source of data for other systems:
- a. transaction processing systems.
 - b. management information systems.
 - c. executive support systems.
 - d. decision-support systems.

Answer: a

Difficulty: Medium

Reference: p. 53

27. Decisions that are unique, rapidly changing, and not easily specified in advance are best suited to this type of system:
- a. management.
 - b. transaction processing
 - c. executive support
 - d. decision-support

Answer: d

Difficulty: Easy

Reference: p. 54

28. These systems are especially suited to situations in which the procedure for arriving at a solution may not be fully predefined in advance:
- a. management information systems.
 - b. transaction processing systems.
 - c. decision-support systems.
 - d. knowledge management systems.

Answer: c

Difficulty: Medium

Reference: p. 54

29. These systems allow users to change assumptions, ask new questions, and include new data:

- a. decision-support systems.
- b. transaction processing systems.
- c. management information systems.
- d. executive support systems.

Answer: a

Difficulty: Medium

Reference: p. 54-55

30. Executive support systems are information systems that support the:

- a. long-range planning activities of senior management.
- b. knowledge and data workers in an organization.
- c. decision-making and administrative activities of middle managers.
- d. day-to-day processes of production.

Answer: a

Difficulty: Easy

Reference: p. 55

31. These systems have more analytical power than other types of systems:

- a. management information systems.
- b. transaction processing systems.
- c. decision-support systems.
- d. executive support systems.

Answer: c

Difficulty: Medium

Reference: p. 55

32. Decision-support systems are often referred to as:

- a. business information systems.
- b. business intelligence systems.
- c. business support systems.
- d. business model systems.

Answer: b

Difficulty: Medium

Reference: p. 55

33. ESS are specifically designed to serve this level of the organization:

- a. operational
- b. end-use.
- c. middle management
- d. senior management

Answer: d

Difficulty: Medium

Reference: p. 55

34. These systems often deliver information to senior executives through a portal, which uses a Web interface to present integrated personalized business content:
- a. transaction processing systems.
 - b. executive support systems.
 - c. management information systems.
 - d. decision-support systems.

Answer: b

Difficulty: Medium

Reference: p. 55

35. These systems are designed to support organization-wide process coordination and integration.
- a. Decision-support systems
 - b. Management information systems
 - c. CRM
 - d. Enterprise applications

Answer: d

Difficulty: Easy

Reference: p. 57

36. A (an) _____ collects data from various key business processes and stores the data in a single comprehensive data repository, usable by other parts of the business.
- a. transaction system
 - b. enterprise system
 - c. automatic reporting system
 - d. management information system

Answer: b

Difficulty: Medium

Reference: p. 58

37. _____ is the process that integrates supplier, manufacturer, distributor, and customer logistics processes.
- a. Collaborative distribution
 - b. Supply-chain management
 - c. Reverse logistics
 - d. Enterprise planning

Answer: b

Difficulty: Medium

Reference: p. 59

38. _____ uses a set of integrated applications to address all aspects of the customer relationship.
- a. CRM
 - b. MIS
 - c. CLE
 - d. CLU

Answer: a

Difficulty: Easy

Reference: p. 60

39. (Analysis)

Which type of system would you use to determine what trends in your supplier's industry will affect your firm the most in five years?

- a. ESS
- b. TPS
- c. MIS
- d. DSS

Answer: a

Difficulty: Easy

Reference: p. 55

Analysis in terms of differentiate and appraise

40. (Analysis)

Which type of system would you use to forecast the return on investment if you used new suppliers with better delivery track records?

- a. ESS
- b. TPS
- c. MIS
- d. DSS

Answer: d

Difficulty: Easy

Reference: p. 55

Analysis in terms of differentiate and appraise

41. (Analysis)

Which type of system would you use to change a production schedule if a key supplier was late in delivering goods?

- a. ESS
- b. TPS
- c. MIS
- d. DSS

Answer: b

Difficulty: Medium

Reference: p. 53

Analysis in terms of differentiate and appraise

42. (Analysis)

Which type of system would you use to determine the five suppliers with the worst record in delivering goods on time?

- a. ESS
- b. TPS
- c. MIS
- d. DSS

Answer: c

Difficulty: Easy

Reference: p. 53-54

Analysis in terms of differentiate and appraise

43. Different firms can work collaboratively on product design, marketing, and production through:

- a. An intranet
- b. An extranet
- c. A KMS
- d. A CRM

Answer: b

Difficulty: Easy

Reference: p. 63

44. (Synthesis)

What type of information system is an intranet most easily adapted to:

- a. CRM
- b. MIS
- c. TPS
- d. KMS

Answer: d

Difficulty: Hard

Reference: 63

Synthesize in terms of bringing information together

45. Buying or selling goods over the Internet is called:

- a. e-commerce
- b. e-business
- c. an intranet
- d. an extranet

Answer: a

Difficulty: Easy

Reference: p. 63

46. (Synthesis)

You would recommend that a system interface use a portal when:

- a. employees need to communicate with clients and vendors.
- b. employees need to collaborate with suppliers and vendors.
- c. employees need to reference multiple sources of data.
- d. employees need to use data from the Internet.

Answer: b

Difficulty: Easy

Reference: p. 63

Synthesize in terms of bringing information together

47 The use of digital technology and the Internet to execute the major business processes in the enterprise is called

- a. e-commerce
- b. e-business
- c. enterprise applications
- d. MIS

Answer: b

Difficulty: Easy

Reference: p. 64

48 The principal liaison between the information systems groups and the rest of the organization is a/an:

- a. Programmer
- b. Information systems manager
- c. Systems analyst
- d. CIO

Answer: c

Difficulty: Easy

Reference: p. 64

49 A _____ is a senior manager who oversees the use of IT in the firm.

- a. CEO
- b. CFO
- c. CIO
- d. CIT

Answer: c

Difficulty: Easy

Reference: p. 65

50 Development and support services for a firms' business systems are provided by:

- a. IT educational services.
- b. IT management services.
- c. application software services.
- d. IT standards services.

Answer: c

Difficulty: Hard

Reference: p. 65

51 Policies that determine which information technology will be used, when, and how are provided by:

- a. IT educational services.
- b. IT management services.
- c. application software services.
- d. IT standards services.

Answer: d

Difficulty: Hard

Reference: p. 65

52 The advantage of a decentralized arrangement of the information services function, in which each functional area of the business has its own information systems department is:

- a. more likely to produce more compatible systems and more coherent long-term systems development plans.
- b. lower costs of technology purchases.
- c. systems are built that directly address that function's business needs.
- d. systems are built that can function independently and more efficiently.

Answer: c

Difficulty: Hard

Reference: p. 67

53 (Evaluate)

What is the most important benefit of an enterprise application:

- a. enabling speed of communicating.
- b. enabling business functions and departments to share information.
- c. enabling a company to work collaboratively with customers and suppliers.
- d. enabling cost-effective, e-business processes.

Answer: b

Difficulty: Hard

Reference: p. 57-58

(Evaluate in terms of appraise, evaluate)

54 (Analysis)

What does Danaher Corporation's implementation of e-Kanban illustrate?

- a. Information systems can often reproduce manual business processes in a more efficient and error-free way.
- b. Implementing technical solutions is a continuous process, needing the measurement of benefits against drawbacks.
- c. Lean manufacturing relies on ever improving production solutions.
- d. Updating supply chain management systems will transform business processes leading to increased profits across the board.

Answer: b

Difficulty: Hard

Reference: p. 71-73

55 Analysis in terms of analyzing and appraising
(Evaluate)

You manage the Information Systems department at a small startup Internet advertiser.

You need to set up an inexpensive system that allows customers to see real-time statistics such as views and click-throughs about their current banner ads. Which type of system will most efficiently provide a solution?

- a. CRM
- b. Enterprise system
- c. Extranet
- d. Intranet

Answer: c

Difficulty: Medium

Reference: p. 71-73

Evaluate in terms of assess and choose

56. (Synthesis)

You work for a highly successful advertiser that is just about to expand nationally. Of utmost importance will be finding a way to store and disseminate their client's constantly updating branding and style guides, which include multiple image files and text documents, to all of their branches. What system will best serve these needs?

- a. An intranet with KMS capabilities
- b. An extranet with KMS capabilities
- c. A TPS with KMS capabilities
- d. A sales and marketing information system

Answer: b

Difficulty: Hard

Reference:

Synthesize in terms of bringing information together

57 Evaluate

What is one of the biggest drawbacks in having separate information systems for separate business functions

- a. Cost in upgrading to an enterprise system
- b. Lack of speed in communication
- c. Redundancy of information
- d. Lack of communication between systems

Answer: c

Difficulty: Hard

Reference: p. 58

58 Evaluate in terms of appraise
(Synthesis)

You have been hired by a non-profit agency to implement a system to handle their donations. Event fund-raisers need to be able to quickly access a donor's information and history. The marketing department needs to be able to create customized mailing lists, in order to send different messages to different types of donors. What system(s) will best meet these needs?

- a. TPS
- b. TPS with DSS
- c. TPS with MIS
- d. TPS with ESS

Answer: c

Difficulty: Hard

Reference:

59 Synthesis in terms of bringing information together
(Synthesis)

You have been hired by Inspiration Inc, to help improve their profit margin. Inspiration Inc. is a business communications consultancy that services many clients in different industries throughout the U.S. The end products of the company are customized recommendations for the best use of a client's existing resources for improving internal communications, typically delivered via documentation in different media. The company has approximately 100 consultants all of whom are located in their central headquarters in Chicago. What system do you recommend to improve the company's business processes and increase their profit margin?

- a. Extranet, to enable quick collaboration over the Internet , minimize the time spent communicating with the client, and minimize the amount of paperwork needed
- b. CRM, to maintain easily accessible customer records to minimize the time spent looking for client data
- c. KMS, for minimizing redundant work on similar clients
- d. Marketing system, for improving sales levels

Answer: a

Difficulty: Hard

Reference:

Synthesis in terms of bringing information together

Chapter 3

Achieving Competitive Advantage with Information Systems

Multiple-Choice Questions

1. Analysis

Amazon's use of the Internet as a platform to sell books illustrates a tactical use of information services for:

- a. Low-cost leadership
- b. Product differentiation
- c. Focusing on market niche
- d. Strengthening customer intimacy

Answer: a

Difficulty: Medium

Reference: pp. 75-76, 80-83

Analysis in terms of categorize

2. The four major types of competitive advantage are:

- a. Demand control, economies of scale, substitute products and services, and process efficiency.
- b. Demand control, economies of scale, barriers to entry that restrict supply, and process efficiency.
- c. Demand control, economies of scale, product differentiation, and process efficiency.
- d. Economies of scale, barriers to entry that restrict supply, substitute products and services, and process efficiency.

Answer: b

Difficulty: Easy

Reference: p. 78

3. Demand control is achieved by:

- a. Preventing competitors from controlling pricing.
- b. Using switching costs to keep prices high.
- c. Reducing operation costs by merging with other firms.
- d. Reducing the number of competitive products.

Answer: b

Difficulty: Easy

Reference: p. 78

4. Analysis

A beverage distributor has acquired exclusive U.S. distribution rights for a new Italian sparkling water. What competitive advantage does this illustrate?

- a. Economy of scale
- b. Demand control
- c. Barrier to entry that restrict supply
- d. Substitute products and services

Answer: c Difficulty: Medium Reference: pp. 78

Analysis in terms of categorize

5. The _____ model is used to describe the interaction of external influences, specifically threats and opportunities that affect an organization's strategy and ability to compete.

- a. network economics
- b. competitive forces
- c. competitive advantage
- d. demand control

Answer: b Difficulty: Medium Reference: p. 79

6. Which of the following is **not** one of the competitive forces:

- a. suppliers.
- b. other competitors.
- c. external environment
- d. customers.

Answer: c Difficulty: Medium Reference: 79-80

7. Evaluate

A substitute product of most concern for a cable TV distributor is:

- a. Satellite TV
- b. Broadcast TV
- c. Satellite radio
- d. Internet

Answer: a Difficulty: Medium Reference: 79

Evaluate in terms of evaluate, assess, appraise

8. Evaluate

A manufacturer of deep-sea oil rigs may be least concerned about this marketplace force:

- a. product differentiation.
- b. traditional competitors.
- c. low number of suppliers.
- d. new market entrants.

Answer: d **Difficulty: Hard** **Reference: 79**

Evaluate in terms of evaluate, assess, appraise

9. Which of the following industries has a low barrier to entry?

- a. Automotive
- b. Computer-chip
- c. Restaurant
- d. Airline

Answer: c **Difficulty: Medium** **Reference: p 79**

10. Which of the following can force a business and its competitors to compete on price alone?

- a. Transparent marketplace
- b. High product differentiation
- c. Poor process efficiency
- d. Demand control

Answer: a **Difficulty: Hard** **Reference: p. 80**

11. A firm can exercise greater control over its suppliers by:

- a. having more suppliers.
- b. having fewer suppliers.
- c. having global suppliers.
- d. having local suppliers.

Answer: a **Difficulty: Easy** **Reference: p. 80**

12. The four basic strategies a company can employ to deal with competitive forces are:
- a. Increase process efficiency, implement demand control, focus on market niche, and low-cost leadership.
 - b. Strengthen customer and supplier intimacy, focus on market niche, product differentiation, and implement demand control.
 - c. Focus on market niche, product differentiation, mass customization, and implement demand control.
 - d. Strengthen customer and supplier intimacy, focus on market niche, product differentiation, and low-cost leadership.

Answer: d **Difficulty: Easy** **Reference: p. 80**

13. Wal-Mart's continuous replenishment system allows it to:
- a. Provide mass customization
 - b. Provide an efficient customer response system
 - c. Strengthen customer intimacy
 - d. Achieve economy of scale

Answer: b **Difficulty: Easy** **Reference: p.80-81**

14. When a firm provides a specialized product or service for a narrow target market better than competitors, they are using a:
- a. Product differentiation strategy.
 - b. Market niche strategy.
 - c. Mass customization strategy.
 - d. Process efficiency strategy.

Answer: b **Difficulty: Medium** **Reference: p.82**

15. _____ is the ability to offer individually tailored products or services using the same production resources as bulk production.
- a. Mass customization
 - b. Size customization
 - c. Magnitude customization
 - d. Dimension customization

Answer: a **Difficulty: Easy** **Reference: p. 82**

16. An information system can enable a company to focus on a market niche through:

- a. Complex trend forecasting
- b. Tailoring products to the client
- c. Intensive product trend analysis
- d. Intensive customer data analysis

Answer: d **Difficulty: Medium** **Reference: p.82**

17. Hilton Hotels' use of customer information software to identify the most profitable customers to direct services to is an example of using information systems to:

- a. Strengthen customer intimacy
- b. Differentiate their service
- c. Focus on market niche
- d. Increase efficiency

Answer: c **Difficulty: Medium** **Reference: p.83**

18. Analysis

Cemex's early challenges were:

- a. Unpredictable distribution methods, difficulties creating product demand, and bargaining power of customers.
- b. Unpredictable distribution needs, inefficient distribution methods, and difficulties creating product demand
- c. Low profits, inefficient distribution methods, and lack of supplier intimacy
- d. Low profits, inefficient distribution methods, and bargaining power of customers.

Answer: c **Difficulty: Medium** **Reference: p.84**

Analysis in terms of appraise, categorize

19. Analysis

Cemex's use of information technology illustrates the use of information systems to achieve:

- a. Low cost leadership
- b. Focus on market niche
- c. Customer intimacy
- d. Product differentiation

Answer: d **Difficulty: Medium** **Reference: p.84**

Analysis in terms of appraise, categorize

20. Which industries did the first wave of e-commerce transform?

- a. Air travel, books, bill payments
- b. Air travel, books, music
- c. Real estate, air travel, books
- d. Real estate, books, bill payments

Answer: b **Difficulty: Hard** **Reference: p.85**

21. To what competitive force did the printed encyclopedia industry succumb?

- a. Positioning and rivalry among competitors
- b. Low cost of entry
- c. Substitute products or services
- d. Customer's bargaining power

Answer: c **Difficulty: Medium** **Reference: p.85**

22. Evaluate

Southwest's early, limited use of information systems for providing ticketing and reservation is an illustration of:

- a. using the value chain model to highlight the points at which information technology can be used most effectively.
- b. using information systems to enhance core competencies.
- c. using information systems to simplify the product.
- d. using information systems to enhance efficiency.

Answer: a **Difficulty: Hard** **Reference: p.85**

Evaluate in terms of assess, compare

23. Internet technology:

- a. makes it easy for rivals to compete on price alone.
- b. imposes a significant cost of entry, due to infrastructure requirements.
- c. increases the difference between competitors because of the wide availability of information.
- d. makes it easy to sustain operational advantages.

Answer: a **Difficulty: Medium** **Reference: p.87**

24. The Internet raises the bargaining power of customers by:

- a. creating new opportunities for building loyal customer bases.
- b. making more products available.
- c. making information available to everyone.
- d. lowering transaction costs.

Answer: c **Difficulty: Medium** **Reference: p.87**

25. The value chain model:

- a. categorizes five related advantages for adding value to a firm's products or services.
- b. sees the supply chain as the primary activity for adding value.
- c. categorizes four basic strategies a firm can use to enhance its value chain.
- d. helps a firm identify points at which information technology can most effectively to enhance its competitive position.

Answer: d **Difficulty: Easy** **Reference: p.87**

26. The primary activities of a firm include:

- a. inbound logistics, operations, outbound logistics, sales and marketing, and service.
- b. inbound logistics, operations, outbound logistics, technology, and service.
- c. procurement, inbound logistics, operations, technology, and outbound logistics.
- d. procurement, operations, technology, sales and marketing, and service.

Answer: a **Difficulty: Medium** **Reference: p.88**

27. The secondary activities of a firm include:

- a. inbound logistics, technology, outbound logistics, sales and marketing, and service.
- b. inbound logistics, organization infrastructure, outbound logistics, technology, and procurement.
- c. organization infrastructure, human resources, sales and marketing, and technology.
- d. organization infrastructure, human resources, technology, and procurement.

Answer: d **Difficulty: Medium** **Reference: p.88**

28. Benchmarking:

- a. compares the efficiency and effectiveness of your business processes against strict standards.
- b. allows industry participants to develop industry-wide standards.
- c. is used to measure the speed and responsiveness of information technology.
- d. synchronizes the business processes of customers, suppliers, and trading partners.

Answer: a **Difficulty: Easy** **Reference: p.89**

29. The most successful solutions or methods for achieving a business objective are called:

- a. value processes.
- b. best processes.
- c. value practices.
- d. best practices.

Answer: d **Difficulty: Easy** **Reference: p.89**

30. A _____ is a collection of independent firms that use information technology to coordinate their value chains to produce a product or service for a market collectively.

- a. value chain
- b. business network
- c. value web
- d. consortia

Answer: c **Difficulty: Medium** **Reference: p. 89**

31. How are information systems used at the industry level to achieve strategic advantage?

- a. Building industry-wide, IT-supported consortia and symposia
- b. By raising the bargaining power of suppliers
- c. By encouraging the entry of new competitors
- d. By enforcing standards that reduce the differences between competitors

Answer: a **Difficulty: Easy** **Reference: p.89**

32. When the output of some units can be used as inputs to other units, or if two organizations pool markets and expertise that result in lower costs and generate profits it is often referred to as creating:

- a. value web.
- b. value chain.
- c. synergies.
- d. core competencies.

Answer: c **Difficulty: Easy** **Reference: p. 90**

33. An information system can enhance core competencies by:

- a. providing better reporting facilities.
- b. creating educational opportunities for management.
- c. allowing operational employees to interact with management.
- d. encouraging the sharing of knowledge across business units.

Answer: d **Difficulty: Medium** **Reference: p. 90**

34. An example of synergy in business is:

- a. Cemex's use of Internet technology to allow customers to place orders directly.
- b. merging of JP Morgan Chase and Bank One Corporation.
- c. Blockbuster combining traditional video rental with online video rental.
- d. LL Bean's use of German and Scandinavian styles of order fulfillment systems.

Answer: b **Difficulty: Easy** **Reference: p. 90**

35. The more any given resource is applied to production, the lower the marginal gain in output, until a point is reached where the additional inputs produce no additional output is referred to as:

- a. the point of no return.
- b. the law of diminishing returns.
- c. supply and demand.
- d. inelasticity.

Answer: b **Difficulty: Easy** **Reference: p. 91**

36. Network economics:

- a. applies the law of diminishing returns to communities of users.
- b. applies traditional economics to networked users.
- c. sees the cost of adding new members as inconsequential.
- d. balances the high cost of adding new members to a community against the lower cost of using network infrastructure.

Answer: c **Difficulty: Medium** **Reference: p. 91**

37. In network economics, the value of a commercial software vendor's software products:

- a. increases as more people use them.
- b. decreases as more people use them.
- c. increases due to higher marginal gain in output.
- d. decreases according to the law of diminishing returns.

Answer: a **Difficulty: Easy** **Reference: p. 91**

38. A virtual company:

- a. uses the capabilities of other companies without being physically tied to those companies.
- b. uses Internet technology to maintain a virtual storefront.
- c. uses Internet technology to maintain a networked community of users.
- d. provides entirely Internet-driven services, or virtual products.

Answer: a **Difficulty: Easy** **Reference: p. 91**

39. Globalization allows:

- a. information systems to enhance core competencies.
- b. businesses to sell their products on a global scale.
- c. businesses to use the capabilities of other companies without being physically tied to those companies.
- d. information systems to more fully utilize Internet capabilities.

Answer: b **Difficulty: Easy** **Reference: p. 93**

40. Analysis

The greatest impact the Internet has had on globalization is:

- a. lowering the cost of labor.
- b. lowering the costs of telecommunications.
- c. lowering the costs of network infrastructure.
- d. lowering the cost of entry to global-scale operations.

Answer: d **Difficulty: Medium** **Reference: p. 93**

Analysis in terms of categorization

41. A business whose production facilities and sales facilities are in separate nations is a:

- a. virtual company.
- b. global organization.
- c. transnational business.
- d. micromultinational business.

Answer: c **Difficulty: Easy** **Reference: p. 94**

42. Psychological aspects play a significant role in the definition of quality for:

- a. customers only.
- b. producers only.
- c. both customers and producers.
- d. neither customers nor producers.

Answer: a **Difficulty: Medium** **Reference: p. 95**

43. Seeing quality as the responsibility of all people and functions in an organization is central to the concept of:

- a. Six Sigma.
- b. TQM.
- c. Quality control.
- d. Cycle time reduction.

Answer: b **Difficulty: Easy** **Reference: p. 96**

44. The reduction of errors to 3.4 defects per million opportunities is central to the concept of:

- a. Six sigma.
- b. TQM.
- c. Benchmarking.
- d. Cycle time reduction.

Answer: a **Difficulty: Easy** **Reference: p. 96**

45. Which of the following is *not* a benefit of implementing CAD systems:

- a. reducing the time spent on completing a design.
- b. reducing the time spent on benchmarking.
- c. ability to review designs for errors prior to production.
- d. ability to produce design specifications for the manufacturing process.

Answer: b **Difficulty: Medium** **Reference: p. 97**

46. Streamlining the steps taken to complete a business task more efficiently is called:

- a. workflow management.
- b. workflow reengineering.
- c. business process management.
- d. business process reengineering.

Answer: a **Difficulty: Easy** **Reference: p. 99**

47. Many reengineering projects do not achieve breakthrough gains in performance because:

- a. organizational change is difficult to manage.
- b. it is difficult to streamline many business processes.
- c. workflow management is difficult to achieve.
- d. document management is difficult to achieve.

Answer: a **Difficulty: Easy** **Reference: p. 99**

48. Analysis

Blockbuster's move to include online movie rental as a part of its services illustrates the use of information systems for:

- a. competitive advantage.
- b. survival.
- c. new products and services.
- d. customer intimacy.

Answer: b

Difficulty: Hard

Reference:

Analysis in terms of appraise, analyze, categorize

49. Analysis

Which competitive force best categorizes the threat Netflix posed to Blockbuster?

- a. Rivalry among traditional competitors
- b. Threat of new market entrants
- c. Substitute products and services
- d. Bargaining power of customers

Answer: c

Difficulty: Hard

Reference:

Analysis in terms of appraise, analyze, categorize

50. Analysis

Blockbuster's implementation of online movie rental is an example of using information technology to enhance which part of the value chain?

- a. Inbound logistics
- b. Operations
- c. Sales and marketing
- d. Procurement

Answer: c

Difficulty: Medium

Reference:

Analysis in terms of appraise, analyze, categorize

51. Evaluate

You are working for a new company, Shazaam Shoes, a retail shoe store. Shazaam will be selling discount sport shoes in a mall that already has another discount shoe store. Which of the following tactics will help Shazaam attain more demand control?

- a. Increase promotional efforts
- b. Sell shoes online
- c. Offer a store card that gives customers deep discounts on future purchases
- d. Sell a greater variety of shoes than the competitor

Answer: c

Difficulty: Hard

Reference:

Evaluate in terms of assess, compare

Chapter 4
IT Infrastructure: Hardware and Software

Multiple-Choice Questions

1. Software that organizes, manages, and processes business data concerned with inventory, customers, and vendors is called:
- a. system software.
 - b. application software.
 - c. data management software.
 - d. network software.

Answer: c **Difficulty: Easy** **Reference: p. 113**

2. Software that manages the resources of the computer is called:
- a. system software.
 - b. application software.
 - c. data management software.
 - d. network software.

Answer: a **Difficulty: Easy** **Reference: p. 113**

3. Your text defines a legacy system as:
- a. traditional mainframe-based business information systems.
 - b. electronic spreadsheets used on a PC.
 - c. computerized account inquiry system for access by customers.
 - d. systems found on services.

Answer: a **Difficulty: Easy** **Reference: p. 113**

4. Software used to apply the computer to a specific task for an end user is called:
- a. system software.
 - b. application software.
 - c. data management software.
 - d. network software.

Answer: b **Difficulty: Easy** **Reference: p. 113**

5. Legacy systems are still used because:
- a. they can only be run on the older mainframe computers.
 - b. they are too expensive to redesign.
 - c. many integrate well using new Web services technologies.
 - d. they contain valuable data that would be lost during redesign.

Answer: b **Difficulty: Easy** **Reference: p. 113**

6. In which of the following computer categories will you find the highest FLOPS performance?
- a. Server computer
 - b. Mainframe computer
 - c. Supercomputer
 - d. Distributed computing grid

Answer: d **Difficulty: Easy** **Reference: p. 116**

7. A microcomputer is a:
- a. minicomputer.
 - b. workstation.
 - c. personal computer.
 - d. handheld device.

Answer: c **Difficulty: Medium** **Reference: p. 114**

8. What would be a reason for using a workstation over a personal computer?
- a. When you need more powerful computational abilities
 - b. When you need to access a network
 - c. When you need to serve applications and data to client computers
 - d. When you need to share resources

Answer: a **Difficulty: Medium** **Reference: p. 114**

9. Which of the following is a midrange computer typically found in a university or research lab setting?
- a. Mainframe
 - b. Server
 - c. Minicomputer
 - d. Supercomputer

Answer: c **Difficulty: Easy** **Reference: p. 115**

10. Which of the following types of computer are used for weather forecasting?
- a. Mainframe
 - b. Server
 - c. Minicomputer
 - d. Supercomputer

Answer: d **Difficulty: Easy** **Reference: p. 115**

11. Connecting geographically remote computers in a single network to create a “virtual supercomputer” is called:
- a. co-location.
 - b. edge computing.
 - c. grid computing.
 - d. utility computing.

Answer: c **Difficulty: Easy** **Reference: p. 116**

12. The use of multiple computers linked by a communications network for processing is called:
- a. grid computing.
 - b. distributed computing.
 - c. client/server networking.
 - d. multi-tiered networking.

Answer: b **Difficulty: Easy** **Reference: p. 116**

13. In a multi-tiered network:
- a. the work of the entire network is centralized.
 - b. the work of the entire network is balanced over several levels of servers.
 - c. processing is split between clients and servers
 - d. processing is handled by multiple, geographically remote clients

Answer: b **Difficulty: Easy** **Reference: p. 116**

14. A client computer networked to a server computer, with processing split between the two types of machines, is called a:
- a. service-oriented architecture.
 - b. on-demand architecture.
 - c. multi-tiered client/server architecture.
 - d. two-tiered client/server architecture.

Answer: d **Difficulty: Easy** **Reference: p. 116**

15. The business case for using grid computing involves all of the following EXCEPT:
- a. cost savings.
 - b. breakeven point.
 - c. speed of computation.
 - d. agility.

Answer: b **Difficulty: Easy** **Reference: p. 116**

16. The process of transferring applications from large computers to smaller ones is called:
- a. downsizing.
 - b. down streaming.
 - c. distributed processing.
 - d. centralized processing.

Answer: a **Difficulty: Easy** **Reference: p. 117**

17. The primary storage technologies are:
- a. storage networks, magnetic tape, magnetic disk, and optical disk.
 - b. hard drives, magnetic tape, magnetic disk, and optical disk.
 - c. storage networks, magnetic disks, hard disks, and optical disks.
 - d. hard drives, removable drives, storage networks, and magnetic tape.

Answer: a **Difficulty: Easy** **Reference: p. 117**

18. An example of magnetic disk storage is:
- a. CD-ROM.
 - b. DVD.
 - c. USB Flash drive.
 - d. magnetic tape.

Answer: c **Difficulty: Easy** **Reference: p. 117**

19. A SAN is a:
- a. server area network.
 - b. storage area network.
 - c. scalable architecture network.
 - d. service-oriented architecture network.

Answer: b **Difficulty: Easy** **Reference: p. 118**

20. Which of the following is a device that collects data directly from the environment for input into a computer system?
- a. Sensor
 - b. Touch screen
 - c. Audio input
 - d. Trackball

Answer: a **Difficulty: Easy** **Reference: p. 119**

21. Which of the following storage technology stores data sequentially?

- a. CD-ROM
- b. RAID
- c. Magnetic disks
- d. Magnetic tape

Answer: d

Difficulty: Easy

Reference: p. 118

22. A high-speed network dedicated to storage that connects different kinds of storage devices, such as tape libraries and disk arrays so they can be shared by multiple servers best describes:

- a. SSN.
- b. ASP.
- c. LAN.
- d. SAN.

Answer: d

Difficulty: Medium

Reference: p. 118

23. What type of device gathers data and converts them into electronic form for use by the computer?

- a. Output device
- b. Input device
- c. Optical storage
- d. Magnetic storage

Answer: b

Difficulty: Easy

Reference: p. 118

24. In batch processing:

- a. transactions are processed immediately in batches.
- b. transactions are accumulated in batches until it is time to process them.
- c. transactions are processed by arrays of multiple, less expensive servers.
- d. transactions are processed by arrays of multiple, less expensive workstations.

Answer: b

Difficulty: Easy

Reference: p. 119

25. Batch systems typically use:

- a. tape storage.
- b. optical storage.
- c. SANs.
- d. networked storage.

Answer: a

Difficulty: Easy

Reference: p. 120

26. An example of technology convergence is:
- a. virus protection software that runs and updates itself automatically.
 - b. software programmed to run on any hardware platform.
 - c. cell phones taking on the functions of handheld computers.
 - d. programming languages that allow non-programmers to create custom applications.

Answer: c **Difficulty: Easy** **Reference: p. 120**

27. An example of autonomic computing is:
- a. virus protection software that runs and updates itself automatically.
 - b. software programmed to run on any hardware platform.
 - c. cell phones taking on the functions of handheld computers.
 - d. programming languages that allow non-programmers to create custom applications.

Answer: a **Difficulty: Medium** **Reference: p. 121**

28. An industry-wide effort to develop systems that can configure, optimize, tune, and heal themselves when broken, and protect themselves from outside intruders and self-destruction is called:
- a. grid computing.
 - b. utility computing.
 - c. edge computing.
 - d. autonomic computing.

Answer: d **Difficulty: Medium** **Reference: p. 120**

29. The components of edge computing are:
- a. local client, ISP servers, corporate enterprise servers.
 - b. local client, corporate Web servers, corporate enterprise servers.
 - c. ISP servers, corporate Web servers, corporate enterprise servers.
 - d. ISP servers, corporate enterprise servers, Web servers.

Answer: a **Difficulty: Medium** **Reference: p. 121**

30. A computer language translation program:
- a. performs common tasks such as copying.
 - b. coordinates requests between the operating system and applications.
 - c. allows platform-independent applications to run on any hardware.
 - d. converts programming language into machine language.

Answer: d **Difficulty: Medium** **Reference: p. 121**

31. A utility program:

- a. performs common tasks such as copying.
- b. coordinates requests between the operating system and applications.
- c. allows platform-independent applications to run on any hardware.
- d. converts programming language into machine language.

Answer: a **Difficulty: Medium** **Reference: p. 122**

32. An interface that uses icons, bars, boxes, and buttons to perform tasks is called a:

- a. graphic utility interface.
- b. graphic user interface.
- d. object-oriented interface.
- e. operating system.

Answer: b **Difficulty: Easy** **Reference: p. 122**

33. Which is the most recent Windows operating system?

- a. Windows 2007
- b. Windows Vista
- c. Windows CE
- d. Windows XP

Answer: b **Difficulty: Easy** **Reference: p. 123**

34. The interactive, multi-user, operating system developed by Bell Laboratories to help scientific researchers share data is:

- a. Unix.
- b. Linux.
- c. Mac OS.
- d. COBOL.

Answer: a **Difficulty: Medium** **Reference: p. 123**

35. The major driver for the adoption of Linux for most corporations would be:

- a. cost.
- b. reliability.
- c. resilience.
- d. integration.

Answer: a **Difficulty: Medium** **Reference: p. 123**

36. The most important programming languages for business have been:

- a. Pascal, C, C++, COBOL.
- b. C++, COBOL, Visual Basic, Java.
- c. C, C++, COBOL, Visual Basic.
- d. C, C++, Visual Basic, Java.

Answer: c

Difficulty: Hard

Reference: p. 124

37. Linux is:

- a. primarily concerned with the tasks of end users.
- b. designed for specific machines and specific microprocessors.
- c. an example of open-source software.
- d. especially useful for processing numeric data.

Answer: c

Difficulty: Medium

Reference: p. 124

38. A report generator is an example of:

- a. procedural language.
- b. first-generation language.
- c. graphics language.
- d. fourth-generation language.

Answer: d

Difficulty: Hard

Reference: p. 126

39. Two categories of fourth-generation languages are:

- a. Graphics language, application software package.
- b. Mac OSX Tiger, Windows Vista.
- c. Java, C++.
- d. SOAP, WSDL.

Answer: a

Difficulty: Easy

Reference: p. 126

40. Languages that enable a user to make requests using conversational commands resembling human speech are called:

- a. query languages.
- b. natural languages.
- c. fourth-generation languages.
- d. nonprocedural languages.

Answer: b

Difficulty: Easy

Reference: p. 126

41. Which type of software provides more control over text and graphic placement in the layout of a page than word processing software?

- a. Desktop publishing software
- b. Spreadsheet software
- c. Graphics software
- d. Presentation software

Answer: a **Difficulty: Medium** **Reference: p. 127**

42. An integrated software package:

- 1. includes capabilities for presentation graphics as well as text-editing and spreadsheets.
- 2. provides functions to support the collaborative activities of workgroups, including software for group writing, information-sharing, and electronic meetings.
- 3. includes full-featured versions of application software bundled as a unit.
- 4. combines the functions of important PC software packages.

Answer: d **Difficulty: Medium** **Reference: p. 127**

43. Running a Java program on a computer:

- a. requires a Java Virtual Machine to be installed on the computer.
- b. requires a Java Virtual Machine to be installed on the server hosting the Java applet.
- c. requires a miniature program to be downloaded to the user's computer.
- d. does not require any specialized software, as Java is platform-independent.

Answer: a **Difficulty: Medium** **Reference: p. 130**

44. HTML is a:

- a. hybrid language providing more flexibility than the popular language in current use.
- b. language that delivers only the software functionality needed for a specific task.
- c. page description language for creating Web pages and other hypermedia documents.
- d. language that combines data and program code.

Answer: c **Difficulty: Medium** **Reference: 130**

45. Software that enables multiple systems to exchange data through a single software hub is called:

- a. SOAP.
- b. WSDL.
- c. EAI.
- d. XML.

Answer: c **Difficulty: Medium** **Reference: 131**

46. Software that functions as a translation layer between two disparate applications so they can work together is called:

- a. enterprise software.
- b. integration software.
- c. distributed software.
- d. middleware.

Answer: d **Difficulty: Easy** **Reference: p. 131**

47. Software that connects two disparate applications, allowing them to communicate with each other and to exchange data best describes:

- a. enterprise software.
- b. integration software.
- c. distributed software.
- d. middleware.

Answer: d **Difficulty: Easy** **Reference: 131**

48. What is the foundation technology for Web services?

- a. XML
- b. HTML
- c. SOAP
- d. UDDI

Answer: a **Difficulty: Medium** **Reference: p. 131**

49. A set of self-contained services that communicate with each other to create a working software application is called:

- a. web services.
- b. enterprise integration.
- c. SOA.
- d. SOAP.

Answer: c **Difficulty: Medium** **Reference: p. 132**

50. Software applications that combine different online software applications are called:

- a. integrated software.
- b. fistributed software.
- c. mashups.
- d. grid computing.

Answer: c **Difficulty: Easy** **Reference: p. 133**

51. This model can be used to analyze the direct and indirect costs to help firms determine the actual cost of specific technology implementations:

- a. total cost of ownership.
- b. return on investment.
- c. breakeven point.
- d. cost benefit analysis.

Answer: a **Difficulty: Easy** **Reference: 136**

52. When a firm contracts custom software development to an outside firm, it is commonly referred to as:

- a. outsourcing.
- b. scaling.
- c. service-oriented architecture.
- d. application integration.

Answer: a **Difficulty: Easy** **Reference: 137**

53. Which of the following refers to the ability of a computer, product, or system to expand to serve a larger number of users without breaking down?

- a. Modifiability
- b. Scalability
- c. Expandability
- d. Disintermediation

Answer: b **Difficulty: Easy** **Reference: 136**

54. This type of computing refers to firms off-loading peak request for computing power to remote, large-scale data processing centers:

- a. on-demand.
- b. grid.
- c. edge.
- d. autonomic.

Answer: a **Difficulty: Medium** **Reference: p. 137**

55. When a firm purchases computing power from a central computing service and pays only for the amount of computing power it uses, this is commonly referred to as:

- a. grid computing.
- b. utility computing.
- c. edge computing.
- d. autonomic computing.

Answer: b **Difficulty: Medium** **Reference: p. 138**

56. An application service provider:

- a. supplies online access over networks to storage devices and storage area network technology.
- b. manages combinations of applications, networks, systems, storage, and security as well as providing Web site and systems performance monitoring to subscribers over the Internet.
- c. uses centrally managed facilities to host and manage access to package applications delivered over networks on a subscription basis.
- d. provides only usage-based pricing during a specified time period.

Answer: c Difficulty: Hard Reference: 138

57. JP Morgan's handing over of a significant portion of its IT infrastructure to IBM is an example of:

- a. edge computing.
- b. outsourcing.
- c. downsizing.
- d. scalability.

Answer: b Difficulty: Hard Reference: 145

58. *Synthesis*

After reading the text, JP Morgan's deal with IBM was an example of using technology to gain which of the four basic categories of competitive advantage?

- a. Demand control
- b. Economy of scale
- c. Barrier to entry restricting supply
- d. Process efficiency

Answer: d Difficulty: Hard

Synthesis in terms of bringing knowledge from different sources together

59. *Synthesis*

The difficulties that faced JP Morgan as a result of their deal with IBM best illustrate which competitive force?

- a. New market entrants
- b. Substitute products and services
- c. Bargaining power of customers
- d. Bargaining power of suppliers

Answer: d **Difficulty: Hard**

Synthesis in terms of bringing knowledge from different sources together

60. *Synthesis*

Which competitive strategies can be enhanced through the use of SOAs?

- a. Low-cost leadership and product differentiation
- b. Focus on market niche and product differentiation
- c. Low-cost leadership, product differentiation, and strengthening customer and supplier intimacy
- d. Focus on market niche, low-cost leadership, and strengthening customer and supplier intimacy

Answer: c **Difficulty: Hard**

Synthesis in terms of bringing knowledge from different sources together

Chapter 5
Foundations of Business Intelligence: Databases and Information Management

Multiple-Choice Questions

1. Analyze

Which of the four generic strategies against competitive forces did 7-11 need to implement in order to manage the disadvantages it faced?

- a. Customer and supplier intimacy
- b. Product differentiation
- c. Low-cost leadership
- d. Focus on market niche

Answer: c Difficulty: Medium Reference: 150-151

Analyze in terms of categorize

2. Analyze

For which function was 7-11's new information system geared toward?

- a. Supply chain management
- b. Sales and marketing
- c. Production and manufacturing
- d. Finance and accounting

Answer: a Difficulty: Medium Reference: 150-151

Analyze in terms of categorize

3. Analyze

What category best describes 7-11's new information system?

- a. TPS
- b. MIS
- c. KMS
- d. ESS

Answer: b Difficulty: Medium Reference:p. 150-151

Analyze in terms of categorize

4. Analyze:

An example of a pre-digital database is :

- a. a library's card-catalog.
- b. a cash register receipt.
- c. a doctor's office invoice.
- d. a list of sales totals on a spreadsheet.

Answer: a Difficulty: Medium Reference:p. 152

Analyze in terms of categorize

5. Analyze

Which of the following best illustrates the relationship between entities and attributes?

- a. The entity CUSTOMER with the attribute PRODUCT
- b. The entity CUSTOMER with the attribute PURCHASE
- c. The entity PRODUCT with the attribute PURCHASE
- d. The entity PRODUCT with the attribute CUSTOMER

Answer: b Difficulty: Hard Reference:p. 152

Analyze in terms of categorize

6. The type of logical database model that treats data as if they were stored in two-dimensional tables is the:

- a. OODBMS.
- b. pre-digital DBMS.
- c. relational DBMS.
- d. hierarchical DBMS.

Answer: c Difficulty: Easy Reference: p. 152

7. Analyze

What are the relationships that the relational database is named for?

- a. Relationship between rows and columns
- b. Relationships between entities
- c. Relationships between tables
- d. Relationships between databases

Answer: b Difficulty: Hard Reference:p. 152-155

Analyze in terms of examine

8. A characteristic or quality describing an entity is called a(n):

- a. field.
- b. tuple.
- c. key field.
- d. attribute.

Answer: d **Difficulty: Easy** **Reference: p. 152**

9. The most basic business database is comprised of:

- a. three tables: a table for customers, a table for suppliers and parts, and a table for sales.
- b. four tables: a table for customers, a table for suppliers, a table for parts, and a table for sales.
- c. four tables: a table for customers, a table for employees, a table for suppliers and parts, a table for sales.
- d. five tables: a table for customers, a table for employees, a table for suppliers, a table for parts, and a table for sales.

Answer: d **Difficulty: Easy** **Reference: p. 153**

10. In a table for customers, the information about a single customer would reside in a single:

- a. field.
- b. row.
- c. column.
- d. table.

Answer: b **Difficulty: Easy** **Reference: p. 153**

11. In a relational database, a record is called a(n):

- a. tuple.
- b. row.
- c. entity.
- d. field.

Answer: a **Difficulty: Medium** **Reference: p. 153**

12. A field identified in a table as holding the unique identifier of the table's records is called the:

- a. primary key.
- b. key field.
- c. primary field.
- d. unique ID.

Answer: a **Difficulty: Easy** **Reference: p. 153**

13. A field identified in a record as holding the unique identifier for that record is called the:

- a. primary key.
- b. key field.
- c. primary field.
- d. unique ID.

Answer: b **Difficulty: Easy** **Reference: p. 153**

14. Duplicate data in multiple data files is:

- a. data redundancy.
- b. data multiplication.
- c. data independence.
- d. typical of a relational model.

Answer: a **Difficulty: Easy** **Reference: p. 154**

15. A schematic of the entire database that describes the relationships in a database is called a:

- a. data dictionary.
- b. intersection relationship diagram.
- c. entity-relationship diagram.
- d. data definition diagram.

Answer: c **Difficulty: Medium** **Reference: p. 154**

16. A one-to-one relationship between two entities is symbolized in a diagram by a:

- a. line that ends in two short marks.
- b. line that ends in one short mark.
- c. line that ends with a crow's foot.
- d. line that ends with a crow's foot topped by a short mark.

Answer: a **Difficulty: Hard** **Reference: p. 155**

17. A one-to-many relationship between two entities is symbolized in a diagram by a:

- a. line that ends in two short marks.
- b. line that ends in one short mark.
- c. line that ends with a crow's foot.
- d. line that ends with a crow's foot topped by a short mark.

Answer: d **Difficulty: Hard** **Reference: p. 155**

18. A table that links two tables that have a many-to-many relationship is called a:

- a. derived table.
- b. intersection relation.
- c. foreign table.
- d. entity-relationship table.

Answer: b **Difficulty: Hard** **Reference: p. 155**

19. The process of streamlining data to minimize redundancy and awkward many-to-many relationships is called:

- a. normalization.
- b. data scrubbing.
- c. data cleansing.
- d. data administration.

Answer: a **Difficulty: Easy** **Reference: p. 155-7**

20. A DBMS:

- a. makes the physical database available for different logical views.
- b. makes the logical database available for different analytical views.
- c. makes the physical database available for different analytical views.
- d. makes the relational database available for different analytical views.

Answer: a **Difficulty: Medium** **Reference: p. 157**

21. The logical view:

- a. shows how data are organized and structured on the storage media.
- b. presents an entry screen to the user.
- c. allows the creation of supplementary reports.
- d. presents data as they would be perceived by end users.

Answer: d **Difficulty: Medium** **Reference: p. 157**

22. DBMS for midrange computers include all of the following EXCEPT:

- a. DB2.
- b. Oracle.
- c. Microsoft SQL Server.
- d. Microsoft Access.

Answer: d Difficulty: Medium Reference: p. 157

23. Oracle Database Lite is a(n):

- a. DBMS for small handheld computing devices.
- b. Internet DBMS.
- c. Mainframe relational DBMS.
- d. DBMS for midrange computers.

Answer: a Difficulty: Medium Reference: p. 157

24. Access is a:

- a. DBMS for small handheld computing devices.
- b. Mainframe relational DBMS.
- c. DBMS for midrange computers.
- d. Desktop relational DBMS.

Answer: d Difficulty: Medium Reference: p. 157

25. DB2 is a(n):

- a. DBMS for small handheld computing devices.
- b. Internet DBMS.
- c. mainframe relational DBMS.
- d. DBMS for desktop computers.

Answer: c Difficulty: Medium Reference: p. 157

26. Microsoft SQL Server is a(n):

- a. DBMS for small handheld computing devices.
- b. Internet DBMS.
- c. Desktop relational DBMS.
- d. DBMS for midrange computers.

Answer: d Difficulty: Medium Reference: p. 157

27. In a relational database, the three basic operations used to develop useful sets of data are:
- a. select, project, and where.
 - b. select, join, and where.
 - c. select, project, and join.
 - d. select, from, and join.

Answer: c **Difficulty: Medium** **Reference: p. 158**

28. The select operation:
- a. combines relational tables to provide the user with more information than is otherwise available.
 - b. creates a subset consisting of columns in a table.
 - c. identifies the table from which the columns will be selected.
 - d. creates a subset consisting of all records in the file that meets stated criteria.

Answer: d **Difficulty: Easy** **Reference: p. 158**

29. The join operation:
- a. Combines relational tables to provide the user with more information than is otherwise available.
 - b. Identifies the table from which the columns will be selected.
 - c. Creates a subset consisting of columns in a table.
 - d. Organizes elements into segments.

Answer: a **Difficulty: Easy** **Reference: p. 158**

30. The project operation:
- a. Combines relational tables to provide the user with more information than is otherwise available.
 - b. Creates a subset consisting of columns in a table.
 - c. Organizes elements into segments.
 - d. Identifies the table from which the columns will be selected.

Answer: b **Difficulty: Easy** **Reference: p. 158**

31. The specialized language programmers use to add and change data in the database is called :
- a. data dictionary language.
 - b. data manipulation language.
 - c. Structured Query Language.
 - d. data definition language.

Answer: b **Difficulty: Easy** **Reference: p. 160**

32. The most prominent data manipulation language today is:

- a. Access.
- b. DB2
- c. SQL.
- d. Crystal Reports

Answer: c Difficulty: Medium Reference: p. 160

33. The data dictionary serves as an important data management tool by:

- a. assigning attributes to the data.
- b. creating an inventory of data contained in the database.
- c. presenting data as end users or business specialists would perceive them.
- d. maintaining data in updated form.

Answer: b Difficulty: Medium Reference: p. 160

34. An automated or manual file that stores information about data elements and data characteristics such as usage, physical representation, ownership, authorization, and security is the:

- a. data dictionary.
- b. data definition diagram
- c. entity-relationship diagram
- d. relationship dictionary

Answer: a Difficulty: Medium Reference: p. 160

35. DBMS's typically include report-generating tools in order to:

- a. retrieve and display data.
- b. display data in an easier-to-read format.
- c. display data in graphs.
- d. perform predictive analysis.

Answer: b Difficulty: Medium Reference: p. 161

36. The type of database management approach that can handle multimedia is the:

- a. hierarchical DBMS.
- b. relational DBMS.
- c. network DBMS.
- d. object-oriented DBMS.

Answer: d Difficulty: Easy Reference: p. 162

37. Which of the following database types is useful for storing java applets as well as typical business data?

- a. relational DBMS
- b. hierarchical DBMS
- c. object-relational DBMS
- d. OODBMS

Answer: c **Difficulty: Medium** **Reference: p. 162**

38. A data warehouse is composed of:

- a. Historical data
- b. Current data
- c. Internal and external data sources.
- d. Historic and current internal data

Answer: d **Difficulty: Medium** **Reference: p. 163**

39. A data mart usually can be constructed more rapidly and at lower cost than a data warehouse because:

- a. A data mart typically focuses on a single subject area or line of business.
- b. All the information is historical.
- c. A data mart uses a Web interface
- d. All of the information belongs to a single company.

Answer: a **Difficulty: Easy** **Reference: p. 163**

40. Tools for consolidating, analyzing, and providing access to vast amounts of data to help users make better business decisions are known as:

- a. DSS
- b. Business intelligence
- c. OLP
- d. Data mining

Answer: b **Difficulty: Medium** **Reference: p. 163**

41. The tool that enables users to view the same data in different ways using multiple dimensions is:

- a. Predictive analysis
- b. SQL
- c. OLAP
- d. Data mining

Answer: c **Difficulty: Hard** **Reference: p. 164**

42. OLAP Is a tool for enabling:

- a. users to obtain online answers to ad hoc questions in a rapid amount of time.
- b. users to view both logical and physical views of data.
- c. programmers to quickly diagram data relationships.
- d. programmers to normalize data.

Answer: a **Difficulty: Easy** **Reference: p. 164**

43. Data mining is a tool for allowing users to:

- a. quickly compare transaction data gathered over many years.
- b. find hidden relationships in data.
- c. obtain online answers to ad hoc questions in a rapid amount of time.
- d. summarize massive amounts of data into much smaller, traditional reports.

Answer: b **Difficulty: Easy** **Reference: p. 165**

44. In terms of data relationships, associations refers to:

- a. events linked over time.
- b. patterns that describe a group to which an item belongs.
- c. occurrences linked to a single event.
- d. undiscovered groupings.

Answer: c **Difficulty: Medium** **Reference: p. 165-6**

45. Analyze

As described in the chapter text, which competitive force was Banco de Credito Peru facing?

- a. Substitute products
- b. Customer's bargaining power
- c. Supplier's bargaining power
- d. Threat of new entrants

Answer: d **Difficulty: Hard** **Reference: p. 167**

Analyze in terms of categorize

46. Analyze

As described in the chapter text, which of the following strategies best describes Banco de Credito Peru's tactics in overcoming the competitive forces it was facing?

- a. Low-cost leadership
- b. Product differentiation
- c. Focus on market niche
- d. Strengthen customer and supplier intimacy

Answer: d Difficulty: Hard Reference: p. 167

Analyze in terms of categorize

47. An alternative to using application server software for interfacing between a Web server and back-end databases is:

- a. CGI.
- b. HTML.
- c. Java.
- d. SQL.

Answer: a Difficulty: Easy Reference: p. 168

48. The confusion created by _____ makes it difficult for companies to create customer relationship management, supply chain management, or enterprise systems that integrate data from different sources.

- a. batch processing
- b. data redundancy
- c. data independence
- d. online processing

Answer: b Difficulty: Easy Reference: p. 170

49. Which common database challenge is illustrated by the text's discussion of downloading digital music?

- a. Data normalization
- b. Data accuracy
- c. Connecting to legacy systems
- d. Poor data analysis

Answer: b Difficulty: Easy Reference: p. 171

50. Detecting and correcting data in a database or file that are incorrect, incomplete, improperly formatted, or redundant is called:

- a. Data auditing.
- b. Defragmentation
- c. Data scrubbing
- d. Data optimization

Answer: c

Difficulty: Easy

Reference: p. 172

51. Evaluate

Which was the greater challenge of the four facing the FBI in its drive to create a unified information system?

- a. Data definition
- b. Data redundancy
- c. Outdated legacy systems
- d. Poor information policies

Answer: d

Difficulty: Hard

Reference: p. 175-77

52. Evaluate in terms of assess
Synthesis

What is the first step you should take in managing data for a firm?

- a. Identify the data needed to run the business
- b. Cleanse the data before importing it to any database
- c. Normalize the data before importing to a database
- d. Audit your data quality

Answer: a

Difficulty: Medium

Reference: p. 172

Synthesis in terms of assemble, plan

Chapter 6
Telecommunications, the Internet, and Wireless Technology

Multiple-Choice Questions

1. Analyze

The case study of Dartmouth College's upgrading its networks illustrates the business use of wireless technology to:

- a. Save costs
- b. Enhance learning
- c. Provide cell phone service
- d. Provide cable television

Answer: a Difficulty: Easy Reference: p. 180

2. Analyze in terms of categorize
A computer on a network that performs important network functions for client computers, such as serving up Web pages, storing data, and storing the network operating system, is called a:

- a. Server computer
- b. NOS
- c. Hub
- d. Router

Answer: a Difficulty: Easy Reference: p. 183

3. A device that acts as a connection point between computers and can filter and forward data to a specified destination is called a:

- a. Hub
- b. Switch
- c. Router
- d. NIC

Answer: b Difficulty: Easy Reference: p. 183

4. Which device connects multiple computers in a network?

- a. Network interface card
- b. Network hub
- c. Ethernet card
- d. None of the above.

Answer: b Difficulty: Medium Reference: p. 183

5. The most important communication standard today for linking disparate computers and networks is:
- a. Transmission Control Protocol/Internet Protocol (TCP/IP).
 - b. International Standards Organization (ISO).
 - c. Open Systems Interconnection (OSI).
 - d. File Transfer Protocol (FTP).

Answer: a **Difficulty: Medium** **Reference: p. 184**

6. The Internet is based on the following three key technologies
- a. TCP/IP, HTML, HTTP
 - b. TCP/IP, HTTP, and packet switching
 - c. Client/server computing, packet switching, and the development of widely used communications standards for linking networks and computers.
 - d. Client/server computing, packet switching, and HTTP.

Answer: c **Difficulty: Hard** **Reference: p. 184**

7. The method of slicing digital messages into parcels, transmitting them along different communication paths, and reassembling them at their destinations is called:
- a. Multiplexing
 - b. Packet switching
 - c. Packet routing
 - d. ATM

Answer: b **Difficulty: Easy** **Reference: p. 185**

8. The telephone system is an example of a:
- a. Peer-to-peer network
 - b. Frame relay network
 - c. Packet-switched network
 - d. Circuit-switched network

Answer: d **Difficulty: Medium** **Reference: p. 185**

9. Which of the following is NOT a characteristic of packet switching?
- a. Uses packets of different sizes
 - b. Packets are routed through many different paths
 - c. Requires dedicated circuits
 - d. Packets include data for checking transmission errors

Answer: c **Difficulty: Medium** **Reference: p. 185**

10. The four layers of the TCP/IP reference model are:

- a. Physical layer, application layer, transport layer, network interface layer
- b. Physical layer, application layer, Internet layer, network interface layer
- c. Application layer, transport layer, Internet layer, network interface layer
- d. Application layer, hardware layer, Internet layer, network interface layer

Answer: c Difficulty: Medium Reference: p. 186

11. In TCP/IP, IP is responsible for:

- a. Disassembling and reassembling of packets during transmission
- b. Establishing an Internet connection between two computers
- c. Moving packets over the network
- d. Sequencing the transfer of packets

Answer: a Difficulty: Easy Reference: p. 186

12. In a telecommunications network architecture, a protocol is:

- a. A device that handles the switching of voice and data in a local area network.
- b. A standard set of rules and procedures for control of communications in a network.
- c. A communications service for microcomputer users.
- d. The main computer in a telecommunications network.

Answer: b Difficulty: Medium Reference: p. 186

13. This is the simplest and slowest type of telecommunications media:

- a. Twisted-pair.
- b. Coaxial cable.
- c. Fiber optics.
- d. Microwave.

Answer: a Difficulty: Easy Reference: p. 187

14. A communications medium that uses one or more copper wires surrounded by thick insulation is:

- a. Twisted-pair cable.
- b. A satellite.
- c. Optical fiber.
- d. Coaxial cable.

Answer: d Difficulty: Easy Reference: p. 187

15. The part of a network that handles the major traffic is:

- a. Front end.
- b. Backbone.
- c. Network interface.
- d. Multiplexer.

Answer: b **Difficulty: Medium** **Reference: p. 187**

16. These signals are represented by a continuous waveform:

- a. Laser
- b. Optical
- c. Digital
- d. Analog

Answer: d **Difficulty: Hard** **Reference: p. 187**

17. Data is sent through the fiber-optic cable by a:

- a. Router
- b. Laser device
- c. Optical device
- d. Multiplexer

Answer: b **Difficulty: Hard** **Reference: p. 187**

18. To use an analog telephone system for sending digital data, you must use:

- a. A modem
- b. TFP
- c. DSL
- d. Twisted wire

Answer: a **Difficulty: Easy** **Reference: p. 187**

19. Which technology will enable communications service providers to add transmission capacity to an existing fiber-optic network without having to lay more fiber-optic cable?

- a. ATM
- b. DWDM
- c. CDMA
- d. WAP

Answer: b **Difficulty: Hard** **Reference: p. 188**

20. BP Amoco uses _____ for real-time data transfer of oil field exploration data gathered from searches of the ocean floor.

- a. Fiber optics
- b. Bluetooth technology
- c. Wi-Fi technology
- d. Satellites

Answer: d **Difficulty: Medium** **Reference: p. 188**

21. Multiplexing can be defined as a:

- a. specialized computer to supervise communication traffic between the CPU and the peripheral device in the telecommunications system.
- b. device that carries the telecommunication message in analog form for packet distribution.
- c. technology that enables a single communications channel to carry data transmissions from multiple sources simultaneously.
- d. special purpose computer dedicated to managing communications for the host computer in the network.

Answer: c **Difficulty: Medium** **Reference: p. 188**

22. Which type of network can transmit all types of traffic-voice, data, and video-over fiber cables and provide the massive bandwidth for new types of services and software?

- a. Optical
- b. Fiber-optic
- c. Satellite
- d. Wireless

Answer: a **Difficulty: Medium** **Reference: p. 188**

23. Which type of signals follow a straight line and do not bend with the curve of the Earth?

- a. Radio
- b. Satellite
- c. Microwave
- d. Fiber-Optic

Answer: c **Difficulty: Medium** **Reference: p. 188**

24. What type of transmission technology is used in relay stations for terrestrial microwave transmission?

- a. Satellite
- b. Cellular
- c. DWDM
- d. Fiber Optic

Answer: a **Difficulty: Medium** **Reference: p. 188**

25. The difference between the highest and lowest frequencies that can be accommodated on a single channel is called its:

- a. Clock speed.
- b. Hertz.
- c. Baud.
- d. Bandwidth.

Answer: d **Difficulty: Medium** **Reference: p. 189**

26. _____ work by using radio waves to communicate with radio antennas placed within adjacent geographic areas

- a. Cell phones
- b. Microwave
- c. Satellites
- d. WANs

Answer: a **Difficulty: Easy** **Reference: p. 189**

27. Bandwidth is:

- a. the number of frequencies that can be broadcast through a medium.
- b. the number of cycles per second that can be sent through a medium.
- c. the difference between the highest and lowest frequencies that can be accommodated on a single channel.
- d. the total number of bytes that can be sent through a medium per second.

Answer: c **Difficulty: Easy** **Reference: p. 189**

28. The total amount of digital information that can be transmitted through any telecommunications medium is measured in:

- a. Bps.
- b. Hertz.
- c. Baud.
- d. Gigaflops.

Answer: a **Difficulty: Medium** **Reference: p. 189**

29. Which type of network is used to connect digital devices within a half-mile or 500-meter radius?

- a. Microwave
- b. LAN
- c. WAN
- d. MAN

Answer: b **Difficulty: Easy** **Reference: p. 190**

30. TCP/IP stands for:

- a. transmission Control Protocol/Internet Protocol.
- b. transmission Control Protocol/Internet Packets.
- c. transfer Control Protocol/Internet Protocol.
- d. transfer Control Protocol/Internet Packets.

Answer: a **Difficulty: Easy** **Reference: p. 190**

31. Which type of network treats all processors equally, and allows peripheral devices to be shared without going to a separate server?

- a. Peer-to-peer
- b. Wireless
- c. LAN
- d. Ring

Answer: a **Difficulty: Easy** **Reference: p. 190**

32. All network components connect to a single hub in a:

- a. Star network
- b. Bus network
- c. Domain network
- d. Peer-to-peer network

Answer: a **Difficulty: Easy** **Reference: p. 190**

33. In a bus network:

- a. Signals are broadcast to the next station
- b. Signals are broadcast in both directions to the entire network
- c. Multiple hubs are organized in a hierarchy
- d. Messages pass from computer to computer in a loop.

Answer: b **Difficulty: Easy** **Reference: p. 190**

34. A LAN:
- a. Is a central switching system that handles a firm's voice and digital communications.
 - b. Links all computers in a closed loop in a manner that passes data in one direction from one computer to another.
 - c. Links all computers and other devices to a central host computer, through which all communications must pass.
 - d. Connects computers and peripheral devices located close to each other, often in the same building.

Answer: d **Difficulty: Medium** **Reference: p. 190**

35. A network that spans a city, and sometimes its major suburbs as well, is an example of a:
- a. CAN
 - b. MAN
 - c. WAN
 - d. LAN

Answer: b **Difficulty: Easy** **Reference: p. 191**

36. A network that covers a large geographic area is most commonly referred to as a(n):
- a. Local area network.
 - b. Intranet.
 - c. Peer-to-peer.
 - d. Wide area network.

Answer: d **Difficulty: Medium** **Reference: p. 191**

37. A peer-to-peer network architecture:
- a. Gives equal power to all computers on the network and is used primarily in small networks.
 - b. Spans a large geographical distance and may consist of a variety of media technologies.
 - c. Is a private, multipath, data-only, third-party-managed network that multiple organizations use on a subscription basis.
 - d. Has the technology to enable voice and data to run over a single network.

Answer: a **Difficulty: Medium** **Reference: p. 190**

38. A bus network:

- a. Links all computers in a closed loop in a manner that passes data in one direction from one computer to another.
- b. Links all computers and other devices to a central hub, through which all communications must pass.
- c. Connects computers and peripheral devices located close to each other, often in the same building.
- d. Links a number of computers by a single circuit with all messages broadcast to the entire network.

Answer: d **Difficulty: Easy** **Reference: p. 190**

39. The most common LAN operating systems are:

- a. Windows XP, Unix, and Mac
- b. Windows XP, Linux, and Novell
- c. Windows, Unix, and Mac
- d. Windows, Linux, and Novell

Answer: d **Difficulty: Medium** **Reference: p. 190**

40. In the domain network model:

- a. a small group of computers shares resources over the network without a server.
- b. a dedicated server manages the network computers.
- c. computers can share peripheral devices without going through a separate server.
- d. all devices on the network connect to a single hub.

Answer: b **Difficulty: Medium** **Reference: p. 190**

41. Which transmission technology parcels information into fixed 53-byte cells?

- a. ISDN
- b. ATM
- c. Frame relay
- d. DSL

Answer: b **Difficulty: Medium** **Reference: p. 191**

42. The most common Ethernet topology is:

- a. Bus.
- b. Star.
- c. Ring.
- d. Mesh.

Answer: a **Difficulty: Easy** **Reference: p. 191**

43. Digital subscriber lines:

- a. Operate over existing telephone lines to carry voice, data, and video
- b. Operate over coaxial lines to deliver Internet access
- c. Are very-high-speed data lines typically leased from long-distance telephone companies
- d. Have up to twenty-four 64-Kbps channels

Answer: a **Difficulty: Medium** **Reference: p. 192**

44. ISDN:

- a. is an international telephone standard that uses coaxial cabling in place of twisted pair wiring to achieve higher transmission rates.
- b. integrates voice, data, image, and video services.
- c. is cheaper, although less powerful, than DSL Internet services.
- d. is cheaper, although less powerful, than Cable Internet services.

Answer: b **Difficulty: Hard** **Reference: p. 192**

45. T lines:

- a. operate over existing telephone lines to carry voice, data, and video.
- b. operate over coaxial lines to deliver Internet access.
- c. are very-high-speed data lines typically leased from long-distance telephone companies.
- d. have up to twenty-four 64-Kbps channels.

Answer: c **Difficulty: Medium** **Reference: p. 192**

46. Which protocol is the Internet based on?

- a. TCP/IP
- b. FTP
- c. Packet-switching
- d. Frame relay

Answer: a **Difficulty: Easy** **Reference: p. 193**

47. What service converts IP addresses into more recognizable alphanumeric names?

- a. HTML
- b. DNS
- c. FTP
- d. HTTP

Answer: b **Difficulty: Easy** **Reference: p. 193**

48. In the domain name "http://myspace.blogging.com", what are the root, top-level, second-level, and third-level domains, respectively?

- a. "http://", myspace, blogging, com
- a. "http://", com, blogging, myspace
- c. ".", com, blogging, myspace
- d. ".", myspace, blogging, com

Answer: c Difficulty: Medium Reference: p. 194

49. The child domain of the root is the:

- a. Top-level domain
- b. Second-level domain
- c. Host name
- d. Domain extension

Answer: a Difficulty: Medium Reference: p. 194

50. Which organization helps define the overall structure of the Internet

- a. None, no one "owns" the Internet.
- b. W3C
- c. ICANN
- d. IAB

Answer: d Difficulty: Hard Reference: p. 195

51. Which of the following services enables discussion groups on electronic bulletin boards?

- a. LISTSERV
- b. Usenet newsgroups
- c. Telnet
- d. Instant messaging

Answer: b Difficulty: Hard Reference: p. 195

52. The IPv6 is being developed in order to:

- a. Update the packet transmission protocols for higher bandwidth
- b. Create more IP addresses
- c. Allow for different levels of service
- d. Support Internet2

Answer: b Difficulty: Medium Reference: p. 196

53. Which of the following services enables logging on to one computer system and working on another?

- a. FTP
- b. LISTSERV
- c. Telnet
- d. World Wide Web

Answer: c **Difficulty: Medium** **Reference: p. 196**

54. The Internet is based on client/server technology in which:

- a. All the data resides on servers
- b. Some data, such as e-mail messages, resides on client computers
- c. Applications reside on servers and all data resides on client computers
- d. All data resides on servers and applications reside on client computers.

Answer: a **Difficulty: Medium** **Reference: p. 196**

55. Web browser software requests Web pages from the Internet using which protocol?

- a. URL
- b. HTTP
- c. DNS
- d. HTML

Answer: b **Difficulty: Easy** **Reference: p. 197**

56. Together, a protocol prefix, a domain name, a directory path, and a document name, are called a:

- a. Uniform resource locator
- b. Unified resource locator
- c. Third-level domain
- d. Root domain

Answer: a **Difficulty: Easy** **Reference: p. 197**

57. The open-source Web server that controls 70 percent of the market is:

- a. Microsoft IIS
- b. ASP.net
- c. Apache HTTP server
- d. Netscape

Answer: c **Difficulty: Easy** **Reference: p. 198**

58. What technology allows people to have content pulled from Web sites and fed automatically to their computers?

- a. FTP
- b. RSS
- c. LISTSERV
- d. Bluetooth

Answer: b **Difficulty: Easy** **Reference: p. 200**

59. The paid sponsored links delivered with search results is a form of:

- a. shopping bot marketing.
- b. search engine marketing.
- c. targeted marketing.
- d. search results marketing.

Answer: b **Difficulty: Easy** **Reference: p. 200**

60. Instant messaging is a type of:

- a. chat service.
- b. cellular service.
- c. Web service.
- d. wireless service.

Answer: a **Difficulty: Easy** **Reference: p. 201**

61. To keep internal data secure, a company employing an extranet must be sure to put a(n) _____ in place.

- a. Web browser
- b. administrative computer
- c. firewall
- d. applications protocol

Answer: c **Difficulty: Easy** **Reference: p. 201**

62. A network that links a business with its customers, suppliers, and other business partners is called:

- a. Intranet.
- b. Extranet.
- c. Collaboration net.
- d. Virtual private network.

Answer: b **Difficulty: Easy** **Reference: p. 201**

63. Which technology uses the Internet protocol to deliver voice information in digital form using packet-switching?

- a. TCP/IP
- b. VPN
- c. VoIP
- d. HTTP

Answer: c Difficulty: Easy Reference: p. 202

64. For corporations, one of the drawbacks to the worldwide explosion of e-mail use is:

- a. Lack of standards for inter-office use
- b. Server storage space clogged with e-mails
- c. Too much bandwidth used by e-mails
- d. Excessive personal use of e-mail in the workplace

Answer: c Difficulty: Easy Reference: p. 203

65. A VPN:

- a. Is an encrypted private network configured within the public Internet
- b. Is more expensive than a dedicated network
- c. Provides secure, encrypted communications using Telnet
- d. Is an Internet-based service for delivering voice communications.

Answer: a Difficulty: Easy Reference: p. 204

66. Wireless cellular phone systems are entering this generation of networks:

- a. 2G.
- b. 3G.
- c. 4G.
- d. 5G.

Answer: b Difficulty: Hard Reference: p. 207

67. CDMA

- a. Is the major European digital cellular standard
- b. Is more expensive than GSM
- c. Transmits over several frequencies
- d. Uses the 1.9 GHz band

Answer: c Difficulty: Hard Reference: p. 207

68. Which cellular network has enough transmission capacity for video, graphics, and other rich media in addition to voice?

- a. 3G networks
- b. 2.5 G networks
- c. GSM
- d. CDMA

Answer: a **Difficulty: Medium** **Reference: p. 207**

69. The most appropriate wireless networking standard for creating PANs is:

- a. I-mode
- b. IEEE 802.11b
- c. WiFi
- d. Bluetooth

Answer: d **Difficulty: Medium** **Reference: p. 208**

70. To deliver Internet content, I-mode uses:

- a. WAP
- b. WML
- c. Compact XML
- d. Compact HTML

Answer: d **Difficulty: Medium** **Reference: p. 207**

71. Bluetooth is the popular name for this IEEE standard:

- a. IEEE 802.15.
- b. IEEE 802.11.
- c. IEEE 802.16.
- d. IEEE 802.20.

Answer: a **Difficulty: Medium** **Reference: p.208**

72. Bluetooth can be used to link up to _____ devices within a 10-meter area using low-power, radio-based communication.

- a. four
- b. six
- c. eight
- d. ten

Answer: c **Difficulty: Easy** **Reference: p. 208**

73. The Wi-Fi 802.11a standard can transmit up to:

- a. 54 Mbps in the unlicensed 5-GHz frequency range
- b. 11 Mbps in the unlicensed 2.4-GHz range
- c. 54 Mbps in the 2.4-GHz range.
- d. 722 Kbps in the 2.4-GHz range.

Answer: a **Difficulty: Hard** **Reference: p. 209**

74. The Wi-Fi 802.11b standard can transmit up to:

- a. 54 Mbps in the unlicensed 5-GHz frequency range and has an effective distance of 10 to 30 meters.
- b. Can transmit up to 11 Mbps in the unlicensed 2.4-GHz band and has an effective distance of 30 to 50 meters.
- c. Can transmit up to 54 Mbps in the 2.4-GHz range.
- d. Can transmit up to 722 Kbps in the 2.4-GHz range.

Answer: b **Difficulty: Hard** **Reference: p. 209**

75. A Wi-Fi system can operate in two different modes. Ad-hoc mode is also known as:

- a. Peer-to-peer mode.
- b. Local area network mode.
- c. Wide area network mode.
- d. Metropolitan area network mode.

Answer: a **Difficulty: Medium** **Reference: p. 209**

76. Each access point and its wireless devices are known as a:

- a. BSS
- b. WSS
- c. WAP
- d. PAN

Answer: a **Difficulty: Hard** **Reference: p. 209**

77. Why are products built for 802.11b and 802.11g compatible?

- a. They have the same transmission capacity and ranges
- b. They are both based on WAP
- c. They are both part of the 802.11 family of standards
- d. They use the same frequency band

Answer: d **Difficulty: Medium** **Reference: p. 209**

78. One or more access points positioned on a ceiling, wall, or other strategic spot in a public place to provide maximum wireless coverage for a specific area are referred to as:

- a. Wireless spots
- b. Hotspots.
- c. Hotpoints.
- d. Wireless hubs.

Answer: b **Difficulty: Easy** **Reference: p. 210**

79. The IEEE standard for the WiMax is:

- a. IEEE 802.15.
- b. IEEE 802.11.
- c. IEEE 802.16.
- d. IEEE 802.20.

Answer: c **Difficulty: Medium** **Reference: p. 211**

80. The WiMax standard can transmit up to a distance of:

- a. 10 to 30 meters.
- b. 30 to 50 meters.
- c. 31 miles.
- d. 100 miles.

Answer: c **Difficulty: Hard** **Reference: p. 211**

81. EV-DO provides wireless access to the Internet over a cellular network at an average speed of:

- a. 10 – 19 Kbps.
- b. 54 - 144 Kbps.
- c. 144 Kbps – 2+ Mbps.
- d. 300 - 500 Kbps.

Answer: d **Difficulty: Easy** **Reference: p. 211**

82. In a RFID system, a(n) _____ is electronically programmed with information that can uniquely identify an item, such as an electronic code.

- a. Reader
- b. Antenna
- c. Microchip
- d. Transponder

Answer: d **Difficulty: Medium** **Reference: p. 211**

83. Automated toll-collection systems use these types of RFID tags:

- a. Reactive.
- b. Passive.
- c. High frequency
- d. Low frequency

Answer: c Difficulty: Easy Reference: p. 212

84. RFID tag costs are currently:

- a. Between \$1.00 and \$20.00 each.
- b. Between \$20.00 and \$50.00 each.
- c. About 19 cents.
- d. Under 5 cents.

Answer: c Difficulty: Medium Reference: p. 212

85. Which technologies are helping Transalta maintain its equipment?

- a. Cell phones and PDAs
- b. Personal area networks
- c. RFID and wireless technology
- d. Satellites and PDAs

Answer: c Difficulty: Medium Reference: p. 214

86. (Evaluation)

Based on your reading of the examples in the chapter, what would be the best use of RFID for a business?

- a. Transactions
- b. Supply chain management
- c. Lowering network costs
- d. Enabling client communication

Answer: b Difficulty: Medium

Evaluate in terms of assess

87. Analyze

The need in some cases for employees to have access to sexually explicit material on the Internet, such as medical researchers, suggests that:

- a. Companies cannot restrict Internet use
- b. Companies need specialized software to determine which types of material are acceptable
- c. Companies may need to maintain a database of acceptable Web sites
- d. Companies need to base their Internet use policies on the needs of the organization and culture.

Answer: d Difficulty: Medium

Analyze in terms of appraise, distinguish

88. Evaluate

What is the business value of an intelligent agent shopping bot?

- a. Lowers costs
- b. Increases supplier intimacy
- c. Creates a barrier to entry
- d. Product differentiation

Answer: d Difficulty: Medium

Evaluate in terms of assess, value

89. Evaluate

What is a business value of RSS?

- a. Lowers costs and improves efficiency by minimizing Internet access
- b. Enables greater customer intimacy
- c. Enables Internet-based collaboration
- d. Enables company to focus on a market niche

Answer: a Difficulty: Medium

Evaluate in terms of assess, value

90. Evaluate

Which type of network would be most appropriate for a business that comprised three employees and a manager located in the same office space, whose primary need is to share documents?

- a. Wireless network in infrastructure mode
- b. Domain-based LAN
- c. Peer-to-peer network
- d. Campus area network

Answer: c Difficulty: Medium

Evaluate in terms of compare, assess

Chapter 7

Securing Information Systems

Multiple-Choice Questions

1. (Analysis)

The fact that phishing is growing at an explosive rate indicates what?

- a. Internet security applications are less able to prevent cyber crime.
- b. Consumer trust of the Internet is too great.
- c. The increasing use of the Internet for e-commerce is a factor in drawing attention from larger numbers of criminals.
- d. Consumers need to be educated about phishing and phishing techniques.

Answer: c Difficulty: Medium Reference: 225-6

Analysis in terms of examine

2. (Evaluation)

What is the most far-reaching effect of identity theft?

- a. Corporations implementing more rigorous authentication procedures.
- b. More governmental control of security standards.
- c. Lowering of revenues and profits due to public mistrust of e-commerce safety.
- d. ISPs implementing more active counter-crime techniques.

Answer: c Difficulty: Medium Reference: 226

Evaluation in terms of value, assess

3. Policies, procedures, and technical measures used to prevent unauthorized access, alternation, theft, or physical damage to information systems refers to:

- a. Security
- b. Controls
- c. Benchmarks
- d. Algorithms

Answer: a Difficulty: Easy Reference: 228

4. Automated data are more susceptible to destruction, fraud, error, and misuse because information systems concentrate data in computer files that:
- a. Are usually bound up in legacy systems that are difficult to access and difficult to correct in case of error.
 - b. Are not secure because the technology to secure them did not exist at the time the files were created.
 - c. Have the potential to be accessed by large numbers of people and by groups outside of the organization.
 - d. Are frequently available on the Internet.

Answer: c **Difficulty: Easy** **Reference: 228**

5. Large amounts of data stored in electronic form are _____ than the same data in manual form.
- a. Less vulnerable to damage
 - b. More secure
 - c. Vulnerable to many more kinds of threats
 - d. More critical to most businesses

Answer: c **Difficulty: Easy** **Reference: 228**

6. All of the methods, policies, and organizational procedures that ensure the safety of the organization's assets, the accuracy and reliability of its accounting records, and operational adherence to management standards refers to:
- a. Legacy systems
 - b. SSID standards
 - c. Vulnerabilities
 - d. Controls

Answer: d **Difficulty: Easy** **Reference: 228**

7. Security challenges posed by the communications between layers in a client/server environment are:
- a. Line taps, denial of service attacks
 - b. Tapping, sniffing, message alteration
 - c. Computer viruses, line taps, loss of machine
 - d. Vandalism, theft and fraud, line taps

Answer: b **Difficulty: Medium** **Reference: 228**

8. Security challenges specifically faced by network servers include:

- a. Copying of data, alteration of data, loss of machine
- b. Theft and fraud
- c. Computer viruses, line taps, hacking
- d. Tapping, sniffing, message alteration

Answer: b **Difficulty: Medium** **Reference: 228**

9. The Internet poses specific security problems because:

- a. It was designed to be easily accessible.
- b. Everyone uses it.
- c. No one owns it.
- d. It changes so rapidly.

Answer: a **Difficulty: Easy** **Reference: 229**

10. Computers linked to the Internet are more vulnerable if they are linked through:

- a. A cable modem
- b. An ISP
- c. A DSL line
- d. Both a and c

Answer: d **Difficulty: Medium** **Reference: 229**

11. The main security problem on the Internet is:

- a. Microsoft.
- b. Inadequate bandwidth.
- c. Hackers.
- d. Wireless transmission.

Answer: c **Difficulty: Easy** **Reference: 229**

12. (*Analysis*)

What software vulnerability does Wi-Fi present?

- a. Use of the SSID as a password
- b. The use of spread spectrum frequencies
- c. The susceptibility to eavesdroppers
- d. Lack of protection against war driving

Answer: a **Difficulty: Hard** **Reference: 230**

Analysis in terms of categorize

13. An independent computer program that copies itself from one computer to another over a network is called a:

- a. Worm.
- b. Trojan horse.
- c. Bug.
- d. Pest.

Answer: a **Difficulty: Easy** **Reference: 231**

14. Sobig.F and Netsky.P are:

- a. Viruses written in script programming languages that use Microsoft Outlook to spread to other systems.
- b. "Worm" type viruses that arrive attached to e-mail and spread from computer to computer.
- c. "Multipartite" viruses that can infect files as well as the boot sector of the hard drive.
- d. Viruses that make a clicking sound with each keystroke on the 18th day of the month.

Answer: b **Difficulty: Medium** **Reference: 232**

15. Using numerous computers to inundate and overwhelm the network from numerous launch points is called a:

- a. Worm.
- b. Trojan horse.
- c. DDoS.
- d. Cybervandalism.

Answer: c **Difficulty: Easy** **Reference: 233**

16. Redirecting a Web link to a different address is a form of :

- a. Snooping.
- b. Spoofing.
- c. Sniffing.
- d. Phishing.

Answer: b **Difficulty: Easy** **Reference: 233**

17. A key logger is a type of:

- a. Worm.
- b. Trojan horse.
- c. Virus.
- d. Spyware.

Answer: d **Difficulty: Easy** **Reference: 233**

18. (Analysis)

In 2004, ICQ users were enticed by a sales message from a supposed anti-virus vendor. On the vendor's site, a small program called Mitglieder was downloaded to the user's machine. The program enabled outsiders to infiltrate the user's machine. What type of malware is this an example of?

- a. Virus
- b. Worm
- c. Trojan horse
- d. Spyware

Answer: c **Difficulty: Medium** **Reference: 233**

Analysis in terms of categorize

19. How do hackers create a botnet?

- a. Infecting Web search bots with malware.
- b. Using Web search bots to infect other computers.
- c. Causing other people's computers to become "zombie" PCs following a master computer.
- d. Infecting corporate servers with "zombie" Trojan horses that allow undetected access through a back door.

Answer: d **Difficulty: Easy** **Reference: 234**

20. (Analysis)

The approach taken by Akamai Technologies when it discovered its servers were under attack illustrates that:

- a. Enforcing security is a complex endeavor that involves multiple approaches.
- b. Educating clients about their role in security is paramount.
- c. Multistep authentication procedures can cause more problems than solutions.
- d. Anti-virus software must be updated continually to remain effective.

Answer: a **Difficulty: Medium** **Reference: 235**

Analysis in terms of appraise

21. (Evaluation)

In your reading of the text's discussion of the experiences of Jersey Joe, Akamai, and Protx Ltd, what is the greatest protection against bot attacks?

- a. Securing the network properly
- b. Alerting employees to virus threats
- c. Having individuals use adequate anti-virus protection
- d. Having corporations use adequate anti-virus protection

Answer: c Difficulty: Medium Reference: 235

Evaluate in terms of judge, appraise

22. Which of the following is NOT an example of a computer used as a target of crime?

- a. Knowingly accessing a protected computer to commit fraud.
- b. Accessing a computer system without authority.
- c. Illegally accessing stored electronic communication.
- d. Breaching the confidentiality of protected computerized data.

Answer: c Difficulty: Hard Reference: 236

23. Phishing is a form of :

- a. Spoofing.
- b. Spinning.
- c. Snooping.
- d. Sniffing.

Answer: a Difficulty: Hard Reference: 236

24. Phishing involves:

- a. Redirecting users to a fraudulent Web site even when the user has typed in the correct address in the Web browser.
- b. Pretending to be a legitimate business's representative in order to garner information about a security system.
- c. Setting up fake Web sites to ask users for confidential information.
- d. Using e-mails for threats or harassment.

Answer: c Difficulty: Medium Reference: 236

25. Pharming involves:

- a. Redirecting users to a fraudulent Web site even when the user has typed in the correct address in the Web browser
- b. Pretending to be a legitimate business's representative in order to garner information about a security system
- c. Setting up fake Web sites to ask users for confidential information
- d. Using e-mails for threats or harassment

Answer: a **Difficulty: Medium** **Reference: 237**

26. Evil twins are:

- a. Trojan horses that appears to the user to be a legitimate commercial software application.
- b. E-mail messages that mimic the e-mail messages of a legitimate business.
- c. Fraudulent Web sites that mimic a legitimate business's Web site.
- d. Bogus wireless networks that look legitimate to users.

Answer: d **Difficulty: Medium** **Reference: 237**

27. Spamming is an example of:

- a. Computer abuse.
- b. Spoofing.
- c. Computer crime that uses the computer as a target of crime.
- d. Computer crime that uses the computer as an instrument of crime.

Answer: a **Difficulty: Easy** **Reference: 237**

28. Tricking employees to reveal their passwords by pretending to be a legitimate member of a company is referred to as:

- a. Sniffing.
- b. Social engineering.
- c. Phishing.
- d. Pharming.

Answer: b **Difficulty: Easy** **Reference: 238**

29. How do software vendors correct flaws in their software after it has been distributed?

- a. Issue bug fixes.
- b. Issue patches.
- c. Re-release software.
- d. Issue updated versions.

Answer: b **Difficulty: Easy** **Reference: 238**

30. Policies, procedures, and tools for managing the retention, destruction, and storage of electronic records is called:

- a. ERM.
- b. ERD.
- c. Information policy.
- d. Information management.

Answer: a **Difficulty: Easy** **Reference: 239**

31. The HIPAA act of 1996:

- a. Requires financial institutions to ensure the security of customer data.
- b. Specifies best practices in information systems security and control.
- c. Imposes responsibility on companies and management to safeguard the accuracy of financial information.
- d. Outlines medical security and privacy rules.

Answer: d **Difficulty: Easy** **Reference: 239**

32. ISO 17799:

- a. Requires financial institutions to ensure the security of customer data.
- b. Specifies best practices in information systems security and control.
- c. Imposes responsibility on companies and management to safeguard the accuracy of financial information.
- d. Outlines medical security and privacy rules.

Answer: b **Difficulty: Easy** **Reference: 240**

33. The Sarbanes-Oxley Act:

- a. Requires financial institutions to ensure the security of customer data.
- b. Specifies best practices in information systems security and control.
- c. Imposes responsibility on companies and management to safeguard the accuracy of financial information.
- d. Outlines medical security and privacy rules.

Answer: c **Difficulty: Medium** **Reference: 239**

34. The Gramm-Leach-Bliley Act:

- a. Requires financial institutions to ensure the security of customer data.
- b. Specifies best practices in information systems security and control.
- c. Imposes responsibility on companies and management to safeguard the accuracy of financial information.
- d. Outlines medical security and privacy rules.

Answer: a **Difficulty: Medium** **Reference: 239**

35. The most common type of electronic evidence is:

- a. Word-processing documents.
- b. Spreadsheets.
- c. Instant messages.
- d. E-mail.

Answer: d **Difficulty: Medium** **Reference: 240**

36. What is the key issue in information systems security and control?

- a. Appropriate use of security software
- b. Intelligent management policies
- c. Effective employee monitoring and authentication
- d. Fault-tolerant computer systems

Answer: b **Difficulty: Medium** **Reference: 240**

37. Electronic evidence on computer storage media that is not visible to the average user is called:

- a. Defragmented data.
- b. Ambient data.
- c. Forensic data.
- d. Recovery data.

Answer: b **Difficulty: Easy** **Reference: 240**

38. Analysis of an information system that rates the likelihood of a security incident occurring and its cost is included in a(n):

- a. Security policy.
- b. AUP.
- c. Risk assessment.
- d. Business impact analysis.

Answer: c **Difficulty: Medium** **Reference: 241**

39. Statements ranking information risks are included in a(n):

- a. Security policy.
- b. AUP.
- c. Risk assessment.
- d. Business impact analysis.

Answer: a **Difficulty: Medium** **Reference: 241**

40. An analysis of the firm's most critical systems and the impact a system's outage would have on the business is included in a(n):

- a. security policy.
- b. AUP.
- c. risk assessment.
- d. business impact analysis.

Answer: d **Difficulty: Medium** **Reference: 244**

41. A CSO is a:

- a. chief security officer.
- b. computer security organization.
- c. chief systems officer.
- d. continuity systems officer.

Answer: a **Difficulty: Easy** **Reference: 242**

42. Downtime refers to:

- a. periods of time in which a computer system is malfunctioning.
- b. periods of time in which a computer system is not operational.
- c. periods of time in which a corporation is not operational.
- d. periods of time in which a computer is not able to perform online transactions.

Answer: b **Difficulty: Easy** **Reference: 243**

43. Online transaction processing requires:

- a. more processing time.
- b. a large server network.
- c. fault-tolerant computer systems.
- d. a dedicated phone line.

Answer: c **Difficulty: Medium** **Reference: 243**

44. High-availability computing:

- a. Promises continuous availability.
- b. Promises the elimination of recovery time.
- c. Uses online transaction and backup systems.
- d. Helps firms recover quickly from a crash.

Answer: d **Difficulty: Medium** **Reference: 243**

45. Methods to make computer systems recover more quickly after mishaps is called:

- a. High availability computing.
- b. Recovery oriented computing.
- c. Fault tolerant computing.
- d. Disaster-recovery planning.

Answer: b **Difficulty: Medium** **Reference: 243**

46. Smaller firms can outsource security functions to:

- a. MISs.
- b. CSOs.
- c. MSSPs.
- d. CAs.

Answer: c **Difficulty: Medium** **Reference: 244**

47. An MIS audit must be conducted by someone who:

- a. Has programming experience.
- b. Is not connected to the organization.
- c. Has the power to set controls.
- d. Has a thorough understanding of the entire system to be audited.

Answer: d **Difficulty: Easy** **Reference: 244**

48. Rigorous password systems:

- a. are one of the most effective security tools.
- b. may hinder employee productivity.
- c. are costly to implement.
- d. are easily disregarded by employees.

Answer: b **Difficulty: Medium** **Reference: 245**

49. A token is a:

- a. device the size of a credit card that contains access permission data.
- b. type of smart card.
- c. gadget that displays passcodes.
- d. electronic marker attached to a digital authorization file.

Answer: c **Difficulty: Medium** **Reference: 245**

50. Biometric authentication:

- a. is inexpensive.
- b. is used widely in Europe for security applications.
- c. can use a person's face as a unique, measurable trait.
- d. only uses physical traits as a measurement.

Answer: c **Difficulty: Easy** **Reference: 246**

51. A firewall allows the organization to:

- a. enforce a security policy on traffic between its network and the Internet.
- b. check the accuracy of all transactions between its network and the Internet.
- c. create an enterprise system on the Internet.
- d. check the content of all incoming and outgoing e-mail messages.

Answer: a **Difficulty: Medium** **Reference: 246**

52. (*Analysis*)

The text's discussion of the security enhancements of Monsanto Co and Clarion Health Partners illustrates which of the following drawbacks to using passwords for authentication?

- a. Passwords can be "phished" from unsuspecting employees.
- b. Passwords systems rarely enhance security.
- c. More complex passwords are difficult to remember.
- d. Poor password systems are a costly and insecure procedure.

Answer: d **Difficulty: Medium** **Reference: 246**

Analysis in terms of compare, categorize

53. In this technique, network communications are analyzed to see whether packets are part of an ongoing dialogue between a sender and a receiver:

- a. Stateful inspection
- b. Intrusion detection system
- c. Application proxy filtering
- d. Packet filtering

Answer: a **Difficulty: Medium** **Reference: 248**

54. _____ use scanning software to look for known problems such as bad passwords, the removal of important files, security attacks in progress, and system administration errors.

- a. Stateful inspections
- b. Intrusion detection systems
- c. Application proxy filtering technologies
- d. Packet filtering technologies

Answer: b **Difficulty: Easy** **Reference: 249**

55. Most antivirus software is effective against:

- a. only those viruses active on the Internet and through e-mail.
- b. any virus.
- c. any virus except those in wireless communications applications.
- d. only those viruses already known when the software is written.

Answer: d **Difficulty: Easy** **Reference: 249**

56. Currently, the protocols used for secure information transfer over the Internet are:

- a. TCP/IP and SSL.
- b. S-HTTP and CA.
- c. HTTP and TCP/IP.
- d. SSL, TLS, and S-HTTP.

Answer: d **Difficulty: Easy** **Reference: 250**

57. In this method of encryption, a single encryption key is sent to the receiver so both sender and receiver share the same key.

- a. SSL
- b. Symmetric key encryption
- c. Public key encryption
- d. Private key encryption

Answer: b **Difficulty: Medium** **Reference: 250**

58. A digital certificate system:

- a. uses third-party CAs to validate a user's identity.
- b. uses digital signatures to validate a user's identity.
- c. uses tokens to validate a user's identity.
- d. are used primarily by individuals for personal correspondence.

Answer: a **Difficulty: Easy** **Reference: 251**

59. (Analysis)

Based on your reading of the CardSystem's security breach and the text, what category of malware was used on CardSystem's network?

- a. Sniffer
- b. Trojan horse
- c. Virus
- d. Worm

Answer: b Difficulty: Medium Reference: 256

Analysis in terms of categorize

60. (Evaluation)

You have been hired as a security consultant for a legal firm. Which of the following constitutes the greatest threat, in terms of security, to the firm?

- a. Wireless network
- b. Employees
- c. Authentication procedures
- d. Lack of data encryption

Answer: b Difficulty: Medium Reference: 256

Evaluation in terms of assess, value

Chapter 8
Achieving Operational Excellence and Customer Intimacy: Enterprise Applications

Multiple-Choice Questions

1. What problem in its supply chain system did Whirlpool face by 2000?
- a. High inventory of finished goods but low availability
 - b. Low amounts of finished goods
 - c. High availability of goods but poor forecasting
 - d. High demand but low inventories of finished goods

Answer: a

Difficulty: Medium

Reference: p. 261

2. *(Synthesis)*

Which type of system, from a constituency perspective, did Whirlpool need to improve?

- a. MIS
- b. DSS
- c. TPS
- d. ESS

Answer: c

Difficulty: Medium

Reference: NA

(Synthesis in terms of arrange, model)

3. What unique approach did Whirlpool employ in defining a solution?
- a. Seeing the supply chain as originating with suppliers
 - b. Seeing the supply chain as a way to focus on customers
 - c. Seeing the supply chain as an extension of its sales practices
 - d. Seeing the supply chain as a tool secondary to knowledge management

Answer: b

Difficulty: Medium

Reference: p. 262

4. *(Analysis)*

Why is overstocking warehouses not an effective solution for a problem of low availability?

- a. It does not speed product time to market
- b. It is an inefficient use of raw materials
- c. It increases sales costs
- d. It increases inventory costs

Answer: d

Difficulty: Medium

Reference: p. 262

(Analysis in terms of compare, appraise)

5. *(Analysis)*

Which of the following business values of supply chain management systems did Whirlpool's solution illustrate most effectively?

- a. Using assets more effectively
- b. Speed product time to market
- c. Matching supply to demand
- d. Reducing costs

Answer: a

Difficulty: Medium

Reference: p. 262

(Analysis in terms of compare, appraise)

6. A suite of integrated software modules for finance and accounting, human resources, manufacturing and production, and sales and marketing that allows data to be used by multiple functions and business processes best describes:

- a. process management software.
- b. ERP systems
- c. groupware
- d. application software.

Answer: b

Difficulty: Medium

Reference: p. 264

7. This type of software enables data to be used by multiple functions and business processes for precise organization coordination and control:

- a. groupware.
- b. application software.
- c. collaboration software.
- d. enterprise software.

Answer: d

Difficulty: Medium

Reference: p. 264

8. This software is built around thousands of predefined business processes:

- a. process management software
- b. collaboration software.
- c. enterprise software.
- d. groupware software.

Answer: c

Difficulty: Medium

Reference: p. 265

9. The most successful solutions for consistently and effectively achieving a business objective are referred to as:
- a. enterprise solutions.
 - b. best practices.
 - c. operational excellence.
 - d. business processes.

Answer: b

Difficulty: Medium

Reference: p. 265

10. Synthesis

You have been asked to implement enterprise software for a manufacturer of kitchen appliances. What is the first step you should take?

- a. Select the functions of the system you wish to use
- b. Select the business processes you wish to automate
- c. Map the company's business processes to the software's business processes
- d. Map the software's business processes to the company's business processes

Answer: a

Difficulty: Medium

Reference: p. 265

Synthesize in the sense of arrange, assemble, organize

11. In order to achieve maximum benefit from an enterprise software package, a business:
- a. Customizes the software to match all of its business processes
 - b. Uses only the processes in the software that match its own processes
 - c. Changes the way it works to match the software's business processes
 - d. Selects only the software that best matches its existing business processes

Answer: c

Difficulty: Medium

Reference: p. 265

12. When tailoring a particular aspect of a system to the way a company does business, enterprise software can provide the company with:

- a. configuration tables.
- b. project workbooks.
- c. data dictionaries.
- d. state transition diagrams.

Answer: a

Difficulty: Medium

Reference: p. 265

13. Nestlé SA installed an enterprise system as a way of:
- a. standardizing and coordinating its business processes in 500 facilities in 80 countries.
 - b. allowing its 500 facilities in 80 countries to maintain unique business processes while utilizing the same corporate-wide data and analyses.
 - c. decentralizing management.
 - d. enabling more responsive supply chain management.

Answer: a

Difficulty: Medium

Reference: p. 266

14. Supply chain complexity and scale:
- a. affect both very small companies and large, global corporations.
 - b. were difficult to address before the Internet.
 - c. result when firms produce complex products and services.
 - d. result when firms implement full-scale supply-chain management systems.

Answer: b

Difficulty: Medium

Reference: p. 266

15. *(Analysis)*

Which of the following problems that China Telecom faced best illustrates the business objective of survival?

- a. Outdated IT infrastructure
- b. Competition from mobile phone services
- c. Compliance with international reporting regulations for publicly traded companies
- d. Lack of integration of business functions

Answer: c

Difficulty: Medium

Reference: p. 266

(Analysis in terms of categorize)

16. *(Analysis)*

Whirlpool, China Telecom, and IHOP all chose enterprise software packages from vendors because:

- a. these packages are built for adaptability.
- b. packaged software is less expensive.
- c. ERP software can be completely customized for unique business processes.
- d. the packaged software chosen addressed their unique needs.

Answer: b

Difficulty: Medium

Reference: p. 266

(Analysis in terms of differentiate)

17. A network of organizations and business processes for procuring raw materials, transforming these materials into intermediate and finished products, and distributing the finished products to customers is called a:

- a. distribution channel.
- b. supply chain.
- c. value chain.
- d. marketing chain.

Answer: b

Difficulty: Medium

Reference: p. 266

18. *(Synthesis)*

Which of the following technologies were implemented in China Telecom's new ERP system to allow linking with existing systems to create new cross-functional applications?

- a. Web services and XML
- b. Utility computing and Web services
- c. Java-based application generators
- d. EAI software tools

Answer: a

Difficulty: Hard

Reference: p. 267

(Synthesis in terms of assemble, build)

19. Components or parts of finished products are referred to as:

- a. upstream materials.
- b. raw materials.
- c. secondary products.
- d. intermediate products.

Answer: d

Difficulty: Easy

Reference: p. 268

20. A company's suppliers, supplier's suppliers, and the processes for managing relationships with them is:

- a. the supplier's internal supply chain.
- b. the external supply chain.
- c. the upstream portion of the supply chain.
- d. the downstream portion of the supply chain.

Answer: c

Difficulty: Easy

Reference: p. 268

21. A company's organizations and processes for distributing and delivering products to the final customers is:
- a. the supplier's internal supply chain.
 - b. the external supply chain.
 - c. the upstream portion of the supply chain.
 - d. the downstream portion of the supply chain.

Answer: d

Difficulty: Easy

Reference: p. 269

22. Uncertainties arise in a supply chain because of:
- a. inaccurate or untimely information.
 - b. poor integration between systems of suppliers, manufacturers, and distributors.
 - c. inefficient or inaccurate MIS.
 - d. unforeseeable events.

Answer: d

Difficulty: Medium

Reference: p. 269

23. Which of the following traditional solutions enables manufacturers to deal with uncertainties in the supply chain?
- a. Safety stock
 - b. Overstocking
 - c. Just-in-time strategies
 - d. Demand planning

Answer: a

Difficulty: Medium

Reference: p. 269

24. A scheduling system for minimizing inventory by having components arrive exactly at the moment they are needed and finished goods shipped as soon as they leave the assembly line best describes:
- a. just-in-time.
 - b. stockless inventory.
 - c. ASAP inventory.
 - d. replenishment-only inventory.

Answer: a

Difficulty: Medium

Reference: p. 269

25. A distortion of information about the demand for a product as it passes from one entity to the next across the supply chain is called:
- a. bullwhip effect.
 - b. ripple effect.
 - c. replenishment effect.
 - d. exponential effect.

Answer: a

Difficulty: Medium

Reference: p. 269

26. Supply chain software can be classified as either:

- a. supply chain source systems or supply chain recovery systems.
- b. supply chain make systems or supply chain delivery systems.
- c. supply chain return systems or supply chain make systems.
- d. supply chain planning systems or supply chain execution systems.

Answer: d

Difficulty: Medium

Reference: p. 270

27. Systems that enable a firm to generate demand forecasts for a product and to develop sourcing and manufacturing plans for that product best describes:

- a. supply chain demand systems.
- b. supply chain delivery systems.
- c. supply chain planning systems.
- d. supply chain execution systems.

Answer: c

Difficulty: Medium

Reference: p. 270

28. The central objective of supply chain management systems is:

- a. Information visibility
- b. Information accuracy
- c. Automating the flow of information
- d. Speeding up the flow of information

Answer: a

Difficulty: Medium

Reference: p. 270

29. Supply chain planning systems:

- a. track the physical status of goods.
- b. identify the transportation mode to use for product delivery.
- c. track the financial information involving all parties.
- d. track the status of orders

Answer: b

Difficulty: Hard

Reference: p. 271

30. This supply chain planning function determines how much product is needed to satisfy all customer demands

- a. Distribution management
- b. Replenishment planning
- c. Demand planning
- d. Order planning

Answer: c

Difficulty: Medium

Reference: p. 271

31. Systems to manage the flow of products through distribution centers and warehouses to ensure that products are delivered to the right locations in the most efficient manner best describes:

- a. supply chain demand systems.
- b. supply chain delivery systems.
- c. supply chain planning systems.
- d. supply chain execution systems.

Answer: d

Difficulty: Medium

Reference: p. 271

32. Supply chain execution systems:

- a. schedule product subassemblies.
- b. help the company determine how much of a specific product to manufacture in a given time period.
- c. enable the firm to generate demand forecasts for a product.
- d. develop sourcing and manufacturing plans to determine how much of a specific product to manufacture in a given time period.

Answer: a

Difficulty: Hard

Reference: p. 272

33. Capabilities of supply chain planning systems would not include:

- a. replenishment.
- b. advanced scheduling and manufacturing planning.
- c. demand planning.
- d. order planning.

Answer: a

Difficulty: Medium

Reference: p. 272

34. A supply chain driven by actual customer orders or purchases follows a:

- a. pull-based model.
- b. build-to-stock model.
- c. push-based model.
- d. replenishment-driven model.

Answer: a

Difficulty: Medium

Reference: p. 273

35. A build-to-order supply-chain model is also called a:

- a. supply-driven model.
- b. demand-driven model.
- c. replenishment-driven model.
- d. push-based model.

Answer: b

Difficulty: Medium

Reference: p. 273

36. Concurrent supply chains are made possible by which technology?

- a. Internet technology
- b. Pull-based technology
- c. Supply chain management systems
- d. Just-in-time supply-chain technologies

Answer: a

Difficulty: Medium

Reference: p. 273

37. Companies with effective supply chain management systems can expect:

- a. improved customer service and responsiveness.
- b. cost reduction.
- c. reduced inventory levels.
- d. All of the above

Answer: d

Difficulty: Medium

Reference: p. 274

38. A method of firm interaction with a customer, such as telephone, e-mail, customer service desk, conventional mail, or point of purchase best describes:

- a. point of presence.
- b. touch point.
- c. market entry.
- d. channel point.

Answer: b

Difficulty: Medium

Reference: p. 275

39. Which of the following deals with employee issues that are closely related to CRM, such as setting objectives, employee performance management, performance-based compensation, and employee training?

- a. Enterprise systems software
- b. Employee relationship management software
- c. Supply chain management software
- d. Customer relationship management software

Answer: b

Difficulty: Easy

Reference: p. 276

40. *(Analysis)*

Based on your reading of the International House of Pancakes case study, which strategy for combating competitive forces was a chief focus of IHOP's updated information systems?

- a. Low-cost leadership
- b. Product differentiation
- c. Focus on market niche
- d. Strengthen customer and supplier intimacy

Answer: d

Difficulty: Medium

Reference: p. 277

(Analysis in terms of categorize)

41. Cross-selling in which a combination of products is sold as a bundle at a price lower than the total cost of the individual products best describes:

- a. collaborative marketing.
- b. up-selling.
- c. discount selling.
- d. bundling.

Answer: d

Difficulty: Easy

Reference: p. 278

42. The marketing of elevated-value products or services to new or existing customers is referred to as:

- a. cross- selling.
- b. up-selling.
- c. discount selling.
- d. bundling.

Answer: b

Difficulty: Easy

Reference: p. 278

43. Verizon sells telephone services that include local and long-distance service, voice mail service, caller identification, and digital subscriber line access to the Internet. This is a form of:

- a. up-selling.
- b. bundling.
- c. customer relationship management.
- d. cross-marketing.

Answer: b

Difficulty: Easy

Reference: p. 278

44. Which of the following is an important capability for service processes that is found in most major CRM software products?
- a. returns management.
 - b. order management.
 - c. account management.
 - d. events management.

Answer: a

Difficulty: Hard

Reference: p. 279

45. Customer relationship management applications dealing with the analysis of customer data to provide information for improving business performance best describes:
- a. operational customer relationship management applications.
 - b. analytical customer relationship management applications.
 - c. supply chain management applications.
 - d. generic customer relationship management applications.

Answer: b

Difficulty: Medium

Reference: p. 280

46. Analyzing sales representative and customer service representative productivity is an example of:
- a. CLTV
 - b. operational CRM.
 - c. analytical CRM.
 - d. demand planning.

Answer: c

Difficulty: Medium

Reference: p. 280

47. This metric is based on the relationship between the revenue produced by a specific customer, the expenses incurred in acquiring and servicing that customer, and the expected life of the relationship between the customer and the company.
- a. churn rate
 - b. CLTV
 - c. cost per lead
 - d. cost per sale

Answer: b

Difficulty: Easy

Reference: p. 281

48. The measurement of the number of customers who stop using or purchasing products or services from a company is called:
- a. switching costs.
 - b. churn rate.
 - c. decline rate.
 - d. switch rate.

Answer: b

Difficulty: Medium

Reference: p. 282

49. From your reading of the Philip Morris International case study, which technology is seen as being able to manage the supply chain problems?

- a. RFID
- b. Bluetooth
- c. Web services
- d. Wireless sensor networks

Answer: a

Difficulty: Medium

Reference: p. 287

50. *(Synthesis)*

The technologies needed for controlling PMI's supply chain are most likely to erode which competitive advantage?

- a. Barrier to entry that restrict supply
- b. Demand control
- c. Economy of scale
- d. Process efficiency

Answer: d

Difficulty: Medium

Reference: p. 288

(Synthesis in terms of assemble, build)

Chapter 9
E-Commerce: Digital Markets, Digital Goods

Multiple-Choice Questions

1. *(Synthesis)*

What competitive advantage did the Gap see as an opportunity to exploit via its e-commerce Web site?

- a. Barrier to entry that restricts supply
- b. Demand control
- c. Economies of scale
- d. Process efficiency

Answer: b Difficulty: Hard Reference: p. 292

(Synthesis in terms of assemble, build)

2. Through what channel did e-commerce first evolve?

- a. Online advertising sales
- b. Internet portals
- c. Online book sales
- d. Internet service providers

Answer: a Difficulty: Hard Reference: p. 294

3. Since the dot-com bubble burst of 2001, e-commerce revenues:

- a. Have essentially stagnated
- b. Show signs of stabilizing
- c. Have returned to solid growth
- d. Have returned to exponential growth

Answer: c Difficulty: Medium Reference: p. 294

4. Which new development is helping expand B2B e-commerce opportunities?

- a. podcasting
- b. blogs
- c. .NET and Web services
- d. Dropping of computing and networking component prices

Answer: c Difficulty: Hard Reference: p. 295

5. Which of the following is not a recent development in e-commerce?
- a. Growth of wireless Internet connections
 - b. Online, interactive models for newspapers and other traditional media
 - c. Use of blogs as a commercial medium
 - d. Transformative growth of e-commerce retail sales

Answer: d **Difficulty: Hard** **Reference: p. 295**

6. (Evaluation)

Based on your reading of the chapters, is e-commerce:

- a. still in its beginning phases.
- b. widely accepted by consumers, although technology is still quickly changing.
- c. not yet fully accepted by consumers, although much of its driving technology is firmly in place.
- d. well entrenched as a form of modern commerce.

Answer: a **Difficulty: Medium** **Reference: p. 296**

(Evaluation in terms of appraise, assess)

7. Which of the following is not one of the unique features of e-commerce technology?
- a. Information density
 - b. Information asymmetry
 - c. Richness
 - d. Interactivity

Answer: b **Difficulty: Medium** **Reference: p. 296**

8. The quality of ubiquity, as it relates to e-commerce, is illustrated by:

- a. the same set of standards being used across the globe.
- b. plentiful, cheap information.
- c. the enabling of commerce worldwide.
- d. the availability of Internet technology everywhere and anytime.

Answer: d **Difficulty: Medium** **Reference: p. 296**

9. The lowered costs of information storage, processing, and communication, along with the improvement of data quality has resulted in which unique quality of e-commerce?
- a. Information density
 - b. Richness
 - c. Customization
 - d. Interactivity

Answer: a **Difficulty: Medium** **Reference: p. 296**

10. A marketplace extended beyond traditional boundaries and removed from a temporal and geographic location is called a(n):
- a. virtual community.
 - b. marketspace.
 - c. online marketplace.
 - d. E-hub.

Answer: b **Difficulty: Medium** **Reference: p. 296**

11. The effort required to locate a suitable product is called:
- a. price discrimination.
 - b. search costs.
 - c. menu costs.
 - d. transparency costs.

Answer: b **Difficulty: Medium** **Reference: p. 297**

12. Information density refers to:
- a. the complexity and content of a message.
 - b. the total amount and quantity of information delivered to consumers by merchants.
 - c. the total amount and quantity of information available to all market participants.
 - d. the amount of information available to reduce price transparency.

Answer: c **Difficulty: Easy** **Reference: p. 297**

13. Selling the same goods to different targeted groups at different prices is called:
- a. price customization.
 - b. price opacity.
 - c. price gouging.
 - d. price discrimination.

Answer: d **Difficulty: Easy** **Reference: p. 297**

14. Information _____ exists when one party in a transaction has more information that is important for the transaction than the other party.

- a. transparency
- b. asymmetry
- c. symmetry
- d. imbalance

Answer: b **Difficulty: Easy** **Reference: p. 298**

15. The cost to a merchant of changing the price of a product is called a:

- a. pricing cost.
- b. dynamic pricing cost.
- c. menu cost.
- d. switching cost.

Answer: c **Difficulty: Easy** **Reference: p. 298**

16. Varying a product's price according to the supply situation of the seller is called:

- a. menu pricing.
- b. supply pricing.
- c. dynamic pricing.
- d. asymmetrical pricing.

Answer: c **Difficulty: Easy** **Reference: p. 298**

17. Reducing the business process layers in a distribution channel is called:

- a. disintermediation.
- b. BPR.
- c. market segmentation.
- d. network effects.

Answer: a **Difficulty: Easy** **Reference: p. 299**

18. Compared to digital markets, traditional markets:

- a. have lower search costs.
- b. have higher marketing costs.
- c. have higher delayed gratification effects.
- d. have higher transaction costs.

Answer: d **Difficulty: Hard** **Reference: p. 299**

19. Digital goods are goods that:

- a. are produced digitally.
- b. are sold over digital networks.
- c. are delivered digitally.
- d. All of the above.

Answer: c **Difficulty: Medium** **Reference: p. 299**

20. Compared to traditional goods, digital goods:

- a. have higher marketing costs.
- b. have lower production costs.
- c. have greater pricing flexibility.
- d. have higher inventory costs.

Answer: c **Difficulty: Medium** **Reference: p. 300**

21. Which of the following Internet business models does Amazon.com use?

- a. Information broker
- b. Transaction broker
- c. Online service provider
- d. Virtual storefront

Answer: d **Difficulty: Medium** **Reference: p. 301**

22. Which of the following businesses utilizes the content provider Internet business model?

- a. Amazon.com
- b. eBay.com
- c. CNN.com
- d. Motocross.com

Answer: c **Difficulty: Medium** **Reference: p. 301**

23. Which of the following is an ad that opens automatically and does not disappear until the user clicks on it?

- a. Banner ad
- b. Controlled ad
- c. Portal ad
- d. Pop-up ad

Answer: d **Difficulty: Medium** **Reference: p. 301**

24. Internet content providers:

- a. generate revenue from advertising or from directing buyers to sellers.
- b. save users money and time by processing online sales dealings.
- c. provide a digital environment where buyers and sellers can establish prices for products.
- d. create revenue by providing digital content over the Web.

Answer: d Difficulty: Medium Reference: p. 301

25. Transaction brokers:

- a. generate revenue from advertising or from directing buyers to sellers.
- b. save users money and time by processing online sales dealings.
- c. provide a digital environment where buyers and sellers can establish prices for products.
- d. sell physical products directly to consumers or individual businesses.

Answer: b Difficulty: Easy Reference: p. 301

26. Online marketplaces:

- a. save users money and time by processing online sales dealings.
- b. provide a digital environment where buyers and sellers can establish prices for products.
- c. create revenue by providing digital content over the Web.
- d. sell physical products directly to consumers or individual businesses.

Answer: b Difficulty: Easy Reference: p. 301

27. A “supersite” that provides a comprehensive entry point for a huge array of Internet resources and services is called a(n):

- a. Portal
- b. Online syndicator
- c. Content provider
- d. Information broker

Answer: a Difficulty: Medium Reference: p. 302

28. Pure-play businesses:

- a. are an example of business-to-business electronic commerce.
- b. do not sell a physical product.
- c. are extensions of traditional bricks-and-mortar businesses.
- d. did not have an earlier existing bricks-and-mortar business before they went to the Internet.

Answer: d Difficulty: Easy Reference: p. 303

29. eBay is an example of:

- a. a click-and-mortar business.
- b. consumer-to-consumer electronic commerce.
- c. business-to-consumer electronic commerce.
- d. an online exchange.

Answer: b **Difficulty: Easy** **Reference: p. 303**

30. Businesses retailing products and services directly via the Internet to individual consumers best describes:

- a. business-to-business electronic commerce.
- b. consumer-to-consumer electronic commerce.
- c. mobile commerce.
- d. business-to-consumer electronic commerce.

Answer: d **Difficulty: Easy** **Reference: p. 303**

31. Consumers selling goods and services electronically to other consumers best describes:

- a. disintermediation.
- b. consumer-to-consumer electronic commerce.
- c. mobile commerce.
- d. business-to-consumer electronic commerce.

Answer: b **Difficulty: Easy** **Reference: p. 303**

32. A personalization technique used by many Web sites is the gathering of demographic information provided by the customer to provide:

- a. interactivity.
- b. personalized Web pages.
- c. recommendations based on assumed interests.
- d. localization.

Answer: b **Difficulty: Medium** **Reference: p. 304**

33. Tools that record customer activities at Web sites and store them in a log for further analysis are called:

- a. clickstream tracking tools.
- b. customer tracking tools.
- c. collaborative filtering tools.
- d. filtering tools.

Answer: a **Difficulty: Easy** **Reference: p. 304**

34. Tools that compare user behavior and interests to make purchasing recommendations to users are called:

- a. clickstream tracking tools.
- b. customer tracking tools.
- c. collaborative filtering tools.
- d. filtering tools.

Answer: c **Difficulty: Easy** **Reference: p. 305**

35. Vlogs are:

- a. virtual logs.
- b. blogs consisting of video diaries.
- c. video logs used by marketers to analyze real-time customer use of Web sites.
- d. virtual community blogs.

Answer: b **Difficulty: Easy** **Reference: p. 305**

36. What marketing tactic helped U.S. Cellular discover teenage concerns about minutes used for incoming calls?

- a. Vlogs
- b. Collaborative filtering
- c. Clickstream tracking
- d. Blog watching

Answer: d **Difficulty: Medium** **Reference: p. 305**

37. *(Analysis)*

From your reading of the text, which strategy is an overarching focus for Stonyfield Farm:

- a. low-cost leadership.
- b. product differentiation.
- c. focus-on-market niche.
- d. strengthen customer and supplier intimacy.

Answer: c **Difficulty: Medium** **Reference: p. 306**

(Analysis in terms of categorize, differentiate)

38. (Analysis)

What strategy was implemented by Stonyfield Farm's use of blogs?

- a. Low-cost leadership
- b. Product differentiation
- c. Focus-on-market niche
- d. Strengthen customer and supplier intimacy

Answer: d **Difficulty: Medium** **Reference: p. 306**

(Analysis in terms of categorize, differentiate)

39. The organizational department responsible for handling customer service issues is the:

- a. service center.
- b. customer support.
- c. call center.
- d. sales department.

Answer: c **Difficulty: Medium** **Reference: p. 307**

40. EDI is:

- a. the use of Internet technologies for electronic data transactions.
- b. the exchange between two organizations of standard transactions through a network.
- c. electronic data invoicing.
- d. electronic delivery infrastructure.

Answer: b **Difficulty: Medium** **Reference: p. 307**

41. The process of sourcing goods and materials, negotiating with suppliers, paying for goods, and making delivery arrangements is called:

- a. procurement.
- b. e-procurement.
- c. supply chain management.
- d. electronic commerce.

Answer: a **Difficulty: Easy** **Reference: p. 308**

42. An extranet that links a large firm to its suppliers and other key business partners is called a(n):

- a. private industrial network.
- b. e-hub.
- c. marketpace.
- d. exchange.

Answer: a **Difficulty: Easy** **Reference: p. 308**

43. _____ are more transaction oriented than private industrial networks.

- a. Private exchanges
- b. E-hubs
- c. Net marketplace
- d. Extranets

Answer: b **Difficulty: Hard** **Reference: p. 308**

44. Net marketplaces:

- a. focus on continuous business process coordination between companies for supply chain management.
- b. operate as independent intermediaries between buyers and sellers.
- c. are geared towards short-term spot purchasing.
- d. are more relationship oriented and less transaction oriented than private industrial networks.

Answer: b **Difficulty: Medium** **Reference: p. 308**

45. A third-party Net marketplace that connects many buyers and suppliers for spot purchasing is called a(n):

- a. Exchange.
- b. Vertical market.
- c. Private exchange
- d. e-hub

Answer: a **Difficulty: Medium** **Reference: p. 310**

46. Which type of applications take special advantage of the unique capabilities of mobile technology?

- a. Text-based messaging
- b. Personalized services
- c. Location-based applications
- d. Interactive, video-rich applications

Answer: c **Difficulty: Medium** **Reference: p. 311**

47. Instead of focusing on how to bring a customer to a Web site, wireless marketing strategies focus on:

- a. Bringing the message directly to the customer at the point of need
- b. Content-rich messaging
- c. Delivering personalized messages
- d. Pushing Web sites to customers

Answer: a **Difficulty: Medium** **Reference: p. 311**

48. The electronic payment system in which users make micropayments and purchases on the Web, accumulating a debit balance on their credit card or telephone bill is called a(n) _____ payment system:

- a. Smart card
- b. Accumulated balance digital
- c. Stored value
- d. Digital cash

Answer: b Difficulty: Medium Reference: p. 315

49. The electronic payment system that uses a credit card-size plastic card that stores digital information and that can be used for electronic payments in place of cash is called:

- a. digital cash.
- b. e-cash.
- c. digital wallet.
- d. smart card.

Answer: d Difficulty: Easy Reference: p. 315

50. (*Analysis*)

Which of Porter's competitive forces was NTT DoCoMo responding to with its technological changes to its cell phones?

- a. Traditional competitors
- b. New market entrants
- c. Substitute products and services
- d. Customers

Answer: a Difficulty: Hard Reference: p. 317

(*Analysis in terms of categorize, differentiate*)

51. (*Evaluate*)

According to your reading of the text, which problem is stalling the widespread adoption of m-commerce?

- a. Slow transmission rates
- b. Lack of common standards
- c. Lack of security
- d. Awkward screens and keyboards

Answer: a Difficulty: Hard Reference: p. 318

(*Evaluate in terms of assess, judge*)

Chapter 10

Improving Decision Making and Managing Knowledge

Multiple Choice Questions

1. (Analysis)

According to your reading of the text, Procter & Gamble's use of DSS illustrates the use of information systems to implement which common business strategy?

- a. Low-cost leadership
- b. Product differentiation
- c. Focus on market niche
- d. Strengthen customer and supplier intimacy

Answer: a Difficulty: Easy Reference: p. 327

(Analysis in terms of categorize)

2. (Evaluation)

What quality of the DSS that Procter & Gamble employed was most integral to the determination of an effective solution for optimizing their supply chain?

- a. Ability to evaluate large quantities of data
- b. Use of forecasting models
- c. Support of unstructured decision-making
- d. Use of expert systems

Answer: a Difficulty: Hard Reference: p. 328

(Evaluation in terms of assess, choose)

3. Where there is no well-understood or agreed-on procedure for making a decision, it is said to be:

- a. Undocumented
- b. Unstructured
- c. Documented
- d. Semistructured

Answer: b Difficulty: Easy Reference: p. 331

4. The type of decision that can be made by following a definite procedure is called a(n):

- a. structured decision.
- b. unstructured decision.
- c. semistructured decision.
- d. procedural decision.

Answer: a Difficulty: Easy Reference: p. 331

5. These types of decisions are more prevalent at lower organizational levels:

- a. procedural decisions.
- b. unstructured decisions.
- c. structured decisions.
- d. semistructured decisions.

Answer: c Difficulty: Easy Reference: p. 331

6. These types of decisions are most common at higher levels of management:

- a. semistructured decisions.
- b. unstructured decisions.
- c. structured decisions.
- d. undocumented decisions.

Answer: b Difficulty: Easy Reference: p. 331

7. Rank-and-file employees tend to make more of these types of decisions:

- a. semistructured.
- b. documented.
- c. structured.
- d. procedural.

Answer: c Difficulty: Easy Reference: p. 331

8. Which type of decision is deciding whether to introduce a new product line?

- a. procedural decision.
- b. unstructured decision.
- c. semistructured decision.
- d. nonprocedural decision.

Answer: b Difficulty: Easy Reference: p. 331

9. Calculating gross pay for hourly workers falls into which category of decision-making?

- a. Structured
- b. Documented
- c. Unstructured
- d. Procedural

Answer: a Difficulty: Easy Reference: p.331

10. Which phase of decision making finds or recognizes a problem?

- a. Design
- b. Intelligence
- c. Choice
- d. Implementation

Answer: b Difficulty: Easy Reference: p. 332

11. The idea that a decision reflects a rational process that can be made understandable to others reflects which quality dimension?

- a. Comprehensiveness
- b. Accuracy
- c. Fairness
- d. Coherence

Answer: d Difficulty: Easy Reference: p. 333

12. MIS typically produce:

- a. new ways of looking at data that emphasize change, flexibility, and rapid response.
- b. fixed, regularly scheduled reports based on data extracted from the organization's TPS.
- c. solutions to semistructured problems appropriate for middle management decision-making.
- d. responses to ad hoc queries, and graphic representations of existing data.

Answer: b Difficulty: Easy Reference: p. 333

13. Which of the following are types of intelligent techniques?

- a. Knowledge management systems
- b. Expert systems
- c. Computer-aided design
- d. Sensitivity analysis

Answer: b Difficulty: Hard Reference: p. 333

14. Which of the following would NOT be classified as a type of intelligent technique?

- a. Genetic algorithms
- b. Case based reasoning
- c. Neural networks
- d. Virtual reality

Answer: d Difficulty: Hard Reference: p. 333

15. This application typically produces fixed, regularly scheduled reports based on data extracted and summarized from the organization's TPS:

- a. MIS.
- b. DSS.
- c. ESS.
- d. GDSS.

Answer: a **Difficulty: Easy** **Reference: p. 334**

16. These systems support decision-making by enabling users to extract useful information that was previously buried in large quantities of data:

- a. GSS.
- b. ESS.
- c. TPS.
- d. DSS.

Answer: d **Difficulty: Easy** **Reference: p. 334**

17. A DSS database is:

- a. a collection of historical data extracted from transaction-processing systems.
- b. a collection of current or historical data from several applications or groups.
- c. a collection of external data typically mined from the Internet and other third-party sources.
- d. a collection of the corporations current transaction data.

Answer: b **Difficulty: Medium** **Reference: p. 334**

18. The components of a DSS are the:

- a. internal database, external database, and analysis tools.
- b. data visualization tools, software, and graphics capabilities.
- c. database, visualization tools, and analysis tools.
- d. database, software system, and user interface.

Answer: d **Difficulty: Medium** **Reference: p. 334**

19. Which type of model is used to help managers estimate future conditions and sales figures resulting from these conditions?

- a. Predictive
- b. Statistical
- c. Sensitivity analysis
- d. Forecasting

Answer: d **Difficulty: Easy** **Reference: p. 335**

20. Optimization models are often used to:

- a. project future conditions and predict the effect of these conditions on sales.
- b. determine the proper mix of products within a given market to maximize profits.
- c. determine the price of a product given fluctuating sales and advertising budget.
- d. establish the best relationship between price and sales and marketing budgets.

Answer: b Difficulty: Medium Reference: p. 335

21. What type of model asks what-if questions repeatedly to determine the impact on outcomes of changes in one or more factors?

- a. Optimization model
- b. Sensitivity analysis model
- c. Goal seeking model
- d. Forecasting model

Answer: b Difficulty: Medium Reference: p. 335

22. Backward sensitivity analysis software is used for:

- a. supply chain optimization.
- b. historical what-if analysis.
- c. goal seeking.
- d. reverse forecasting.

Answer: c Difficulty: Medium Reference: p. 335

23. This information system uses data visualization technology to analyze and display data for planning and decision making in the form of digitized maps:

- a. GIS.
- b. DSS.
- c. GSS.
- d. TPS.

Answer: a Difficulty: Easy Reference: p. 337

24. Which of Porter's competitive forces was at work in the Bermuda Department of Health's decision to develop an information system to help control their rat population?

- a. Substitute products and services
- b. New market entrants
- c. Traditional competitors
- d. None, in this case, Bermuda's problem was based on the quality of their product

Answer: c Difficulty: Hard Reference: p. 339

25. ESS:

- a. support the structured decision making of senior executives.
- b. have a digital dashboard as a key feature.
- c. are transaction processing systems for monitoring a firm's performance and environment.
- d. like DSS, are based on information derived from a company's transaction processing systems.

Answer: b Difficulty: XX Reference: p. 340

26. GDSS:

- a. is designed to allow meeting attendees to share their thoughts in real-time with their peers.
- b. supports decisions that require knowledge about the geographic distribution of resources.
- c. are typically used with geographically dispersed attendees.
- d. implement structured methods for organizing and evaluation ideas.

Answer: d Difficulty: XX Reference: p. 341

27. Expert systems:

- a. solve problems too difficult for human experts.
- b. are based on DO WHILE rules.
- c. work in very limited domains.
- d. share characteristics with mainframe computing.

Answer: c Difficulty: Medium Reference: p. 342

28. An inference engine is:

- a. a data mining strategy used by intelligent agents.
- b. the programming environment of an expert system.
- c. a method of organizing expert system knowledge into chunks.
- d. a strategy used to search through the rule base in an expert system.

Answer: d Difficulty: Medium Reference: p. 342

29. Virtually all expert systems deal with problems of:

- a. associative data.
- b. classification.
- c. logic and control.
- d. unstructured decision-making.

Answer: b Difficulty: Medium Reference: p. 344

30. Systems whose architecture is based on the human brain's mesh-like neuron structure are called:

- a. knowledge-based systems.
- b. neural networks.
- c. fuzzy logic systems.
- d. expert system.

Answer: b

Difficulty: Medium

Reference: p. 346

31. Hardware and software that attempts to emulate the processing patterns of the biological brain best describes:

- a. neural network.
- b. expert system.
- c. case-based reasoning.
- d. fuzzy logic.

Answer: a

Difficulty: Medium

Reference: p. 346

32. Genetic algorithms:

- a. develop solutions to particular problems using fitness, crossover, and mutation.
- b. represent knowledge as groups of characteristics.
- c. do not work for most problems.
- d. are based on logic.

Answer: a

Difficulty: Medium

Reference: p. 347

33. To automate routine tasks to help firms search for and filter information for use in electronic commerce and supply chain management a firm would most likely use:

- a. CAD systems.
- b. virtual reality systems.
- c. fuzzy logic systems.
- d. intelligent agents.

Answer: d

Difficulty: Medium

Reference: p. 348

34. Expertise and experience of organizational members that has not been formally documented best describes:

- a. wisdom.
- b. information.
- c. data.
- d. tacit knowledge.

Answer: d

Difficulty: Medium

Reference: p. 349

35. What are the two major types of knowledge management systems?

- a. Management information systems and decision support systems
- b. Enterprise systems and knowledge management systems
- c. Expert systems and knowledge work systems.
- d. Enterprise-wide knowledge management systems and knowledge work systems

Answer: d

Difficulty: Medium

Reference: p. 349

36. A system for organizing structured knowledge in a repository where it can be accessed throughout the organization best describes:

- a. document database.
- b. expert system.
- c. structured knowledge system.
- d. knowledge network system.

Answer: c

Difficulty: Medium

Reference: p. 350

37. In a structured knowledge system, all documents are _____ with the proper classification.

- a. tagged
- b. linked
- c. tupled
- d. referenced

Answer: a

Difficulty: Medium

Reference: p. 350

38. Tools for the management, delivery, tracking, and assessment of various types of employee learning best describes:

- a. knowledge worker system.
- b. employee relationship system.
- c. employee management system.
- d. learning management system.

Answer: d

Difficulty: Medium

Reference: p. 354

39. A _____ is very important to a knowledge worker's system.

- a. computer-aided design tool
- b. financial analysis system
- c. collection of data visualization tools
- d. user-friendly interface

Answer: d

Difficulty: Medium

Reference: p. 355

40. _____ often are designed and optimized for the specific tasks to be performed.

- a. Graphics programs
- b. Knowledge workstations
- c. Virtual simulators
- d. CAD stations

Answer: b

Difficulty: Medium

Reference: p. 355

41. Which of the following would NOT be classified as a knowledge work system?

- a. Computer-aided design
- b. 3D Visualization
- c. Investment workstations
- d. Case-based reasoning

Answer: d

Difficulty: Hard

Reference: p. 355

42. CAD workstations:

- a. provide engineers, designers, and factory managers with precise control over industrial design and manufacturing.
- b. provide an important source of expertise for organizations.
- c. allow groups to work together on documents.
- d. are high-end PCs used in the financial sector to analyze trading situations instantaneously and facilitate portfolio management.

Answer: a

Difficulty: Medium

Reference: p. 355

43. Virtual reality applications for the Web use a standard called:

- a. CAD.
- b. VRML.
- c. VML.
- d. TCP/IP.

Answer: b

Difficulty: Medium

Reference: p. 356

44. Investment workstations:

- a. provide engineers, designers, and factory managers with precise control over industrial design and manufacturing.
- b. provide an important source of expertise for organizations.
- c. allow groups to work together on documents.
- d. are high-end PCs used in the financial sector to analyze trading situations instantaneously and facilitate portfolio management.

Answer: d

Difficulty: Easy

Reference: p. 356

45. Virtual reality systems:

- a. provide engineers, designers, and factory managers with precise control over industrial design and manufacturing.
- b. provide an important source of expertise for organizations.
- c. allow groups to work together on documents.
- d. provide drug designers, architects, engineers, and medical workers with precise, photorealistic simulations of objects.

Answer: d

Difficulty: Medium

Reference: p. 356

Chapter 11 Building Information Systems

Multiple-Choice Questions

1. *(Evaluation)*

What was the primary problem facing the Girl Scouts regarding their supply chain problems?

- a. Ordering process was inefficient for a large volume of orders
- b. High error rates in ordering and fulfillment
- c. Required too much time of volunteers
- d. Paper-based system was outdated

Answer: a Difficulty: Medium Reference: p. 368

(Evaluation in terms of assess, judge)

2. *(Analysis)*

In which way did network economics play a role in the Girl Scouts solution to their supply chain problems?

- a. The cost per user for their hosted Web solution
- b. The use of a centralized database
- c. Using a centralized system for orders and distribution
- d. Network economics did not play a strong role in the solution

Answer: a Difficulty: Medium Reference: p. 368

(Analysis in terms of categorize)

3. Which of the following is NOT part of the implementation process?

- a. Preparing documentation
- b. Acquiring hardware
- c. Systems analysis
- d. Creating detailed design specifications

Answer: c Difficulty: Easy Reference: p. 370

4. Information systems problems typically result from:

- a. poor information requirements.
- b. a combination of people, organizational, and technical factors.
- c. organizational and technical factors.
- d. inadequate change management.

Answer: b **Difficulty: Easy** **Reference: p. 371**

5. Which process develops a detailed description of the functions that a new information system must perform?

- a. Feasibility study
- b. Requirements analysis
- c. Systems design
- d. Test plan development

Answer: b **Difficulty: Medium** **Reference: p. 371**

6. (*Analysis*)

The entire system-building effort is driven by:

- a. organizational change.
- b. feasibility studies.
- c. data.
- d. user information requirements.

Answer: d **Difficulty: Medium** **Reference: p. 371**

(*Analysis in terms of appraise, differentiate*)

7. Systems design:

- a. describes what a system should do to meet information requirements.
- b. shows how the new system will fulfill the information requirements.
- c. always tries to increase precision.
- d. includes the testing phases.

Answer: b **Difficulty: Easy** **Reference: p. 372**

8. System design specifications that address database issues will include specifications for:

- a. volume and speed requirements.
- b. data entry.
- c. input, processing, and output controls.
- d. program logic and computations.

Answer: a **Difficulty: Hard** **Reference: p. 372**

9. Transferring transaction data from a legacy system to the new system would be defined by which system design specification?
- a. Input
 - b. Database
 - c. Manual procedures
 - d. Conversion

Answer: d **Difficulty: Hard** **Reference: p. 373**

10. Determining methods for feedback and error handling would be defined by which system design specification?
- a. Training and documentation
 - b. User interface
 - c. Manual procedures
 - d. Security and controls

Answer: b **Difficulty: Hard** **Reference: p. 372**

11. Unit testing:
- a. includes all the preparations for the series of tests to be performed on the system.
 - b. tests the functioning of the system as a whole in order to determine if discrete modules will function together as planned.
 - c. tests each program separately.
 - d. provides the final certification that the system is ready to be used in a production setting.

Answer: c **Difficulty: Easy** **Reference: p. 374**

12. System testing:
- a. includes all the preparations for the series of tests to be performed on the system.
 - b. tests the functioning of the system as a whole in order to determine if discrete modules will function together as planned.
 - c. tests each program separately.
 - d. provides the final certification that the system is ready to be used in a production setting.

Answer: b **Difficulty: Easy** **Reference: p. 374**

13. Acceptance testing:

- a. includes all the preparations for the trials.
- b. tests the functioning of the system as a whole in order to determine if discrete modules will function together as planned.
- c. tests each program separately.
- d. provides the final certification that the system is ready to be used in a production setting.

Answer: d **Difficulty: Easy** **Reference: p. 374**

14. In a parallel conversion strategy, the new system:

- a. is tested by an outsourced company.
- b. replaces the old one at an appointed time.
- c. and the old are run together.
- d. is introduced in stages

Answer: c **Difficulty: Easy** **Reference: p. 375**

15. In the direct cutover conversion strategy, the new system:

- a. is tested by an outsourced company.
- b. replaces the old one at an appointed time.
- c. and the old are run together.
- d. is introduced in stages.

Answer: b **Difficulty: Easy** **Reference: p. 375**

16. Changes in hardware, software, documentation, or production to a production system to correct errors, meet new requirements, or improve processing efficiencies are termed:

- a. compliance.
- b. production.
- c. maintenance.
- d. acceptance.

Answer: c **Difficulty: Easy** **Reference: p. 375**

17. The worth of systems from a financial perspective essentially revolves around the question of:

- a. systems ownership.
- b. information requirements.
- c. multiyear financial models.
- d. return on invested capital.

Answer: d **Difficulty: Easy** **Reference: p. 376**

18. _____ are tangible benefits of information systems.
- a. Improved asset utilization, increased organizational learning, and improved operations
 - b. Reduced workforce, lower outside vendor costs, and increased productivity
 - c. Increased productivity, reduced workforce, and increased job satisfaction
 - d. Lower operational costs, improved resource control, and more information

Answer: b **Difficulty: Medium** **Reference: p. 376**

19. _____ are intangible benefits of information systems.
- a. Improved asset utilization, increased organizational learning, and improved operations
 - b. Reduced workforce, lower outside vendor costs, and increased productivity
 - c. Increased productivity, reduced workforce, and increased job satisfaction
 - d. Lower operational costs, improved resource control, and more information

Answer: a **Difficulty: Medium** **Reference: p. 376**

20. A road map indicating the direction of systems development, the rationale, the current systems, new developments to consider, the management strategy, the implementation plan, and the budget is called a:

- a. project plan.
- b. request for proposal.
- c. information systems plan.
- d. mission statement.

Answer: c **Difficulty: Easy** **Reference: p. 377**

21. Which process is used to develop risk profiles for a firm's information system projects and assets?

- a. Information systems plan
- b. Scoring model
- c. Portfolio analysis
- d. Feasibility study

Answer: c **Difficulty: Medium** **Reference: p. 378**

22. *(Synthesize)*

You have been hired by a pharmaceutical company to evaluate its portfolio of systems and IT projects. Which types of projects would be best avoided?

- a. Any high risk projects
- b. Any low-benefit projects
- c. High-risk, low benefit projects
- d. None – any project might be beneficial

Answer: c **Difficulty: Medium** **Reference: p. 378**

(Synthesize in terms of arrange, assemble, organize)

23. Which of the following is **not** one of the activities of the systems analyst:

- a. change agent
- b. communication with users
- c. development of specifications
- d. formulation of capital budgeting models

Answer: d **Difficulty: Medium** **Reference: p. 379**

24. Users prefer systems that:

- a. Are oriented to facilitating organizational tasks and solving business problems
- b. Work with existing DBMS
- c. Are able to provide optimum hardware and software efficiency
- d. Are capable of storing much more data than they need

Answer: a **Difficulty: Medium** **Reference: p. 380**

25. The project risk will rise if the project team and the IS staff lack:

- a. Legacy applications as a starting point
- b. Good equipment
- c. The required technical expertise
- d. Financial studies and plans

Answer: c **Difficulty: Hard** **Reference: p. 381**

26. Which of the following tools may help identify risk areas associated with employee acceptance of a new information system?

- a. Formal planning and control tools
- b. Organizational impact analysis
- c. System prototype
- d. Feasibility study

Answer: b **Difficulty: Medium** **Reference: p. 382**

27. What was the primary reason behind the Australian government's move to overhaul its social welfare system?

- a. Incompatibility of legacy systems
- b. Inefficiency of existing systems
- c. Need for new products and services
- d. Need for greater customer intimacy

Answer: b **Difficulty: Medium** **Reference: p. 383**

28. *(Evaluation)*

Which of the following techniques was employed to facilitate the senior management support and commitment to implementing Australia's new social welfare information systems?

- a. Assigning employees to a talent bank, eliminating traditional employment positions
- b. Bringing a business perspective to the IT challenge
- c. Creation of an executive task force to discover and promote opportunities of IT
- d. Creating an efficient, and cost-saving IT solution

Answer: c **Difficulty: Medium** **Reference: p. 383**

(Evaluation in terms of assess, compare)

29. The oldest method for building information systems is the:

- a. Component-based development
- b. Prototyping
- c. Object-oriented development
- d. Systems development lifecycle

Answer: d **Difficulty: Easy** **Reference: p. 384**

30. In the traditional systems development lifecycle, end users:

- a. are important and ongoing members of the team from the original analysis phase through maintenance.
- b. are important only in the testing phases.
- c. have no input.
- d. are limited to providing information requirements and reviewing the technical staff's work.

Answer: d **Difficulty: Easy** **Reference: pp. 384**

31. When systems are created rapidly, without a formal development methodology:

- a. end users can take over the work of IT specialists.
- b. the organization quickly outgrows the new system.
- c. hardware, software, and quality standards are less important.
- d. testing and documentation may be inadequate.

Answer: d **Difficulty: Easy** **Reference: p. 385**

32. (*Synthesize*)

As a technical project manager you have decided to propose implementing a prototyping methodology for a small Web-based design project. What is the order of steps you will follow in this project?

- a. Develop the prototype; use the prototype; revise and enhance the prototype
- b. Identify user requirements, develop the prototype, use the prototype, revise and enhance the prototype
- c. Define the requirements, develop solutions, select the best prototype, and implement the prototype
- d. Define the requirements, develop the prototype, revise and enhance the prototype

Answer: b **Difficulty: Medium** **Reference: p. 385**

(*Synthesize in terms of arrange, compose*)

33. (*Analysis*)

Marriott's new information systems can be categorized as:

- a. DSS.
- b. KMS.
- c. MIS.
- d. ESS.

Answer: a **Difficulty: Medium** **Reference: p. 386**

(*Analysis in terms of categorize*)

34. (Evaluation)

Based on your reading of the Marriott case study, what was the primary business value of their new revenue management system?

- a. More efficient analysis of room rates
- b. Higher room occupancy at highest rates possible
- c. Greater customer intimacy
- d. Greater intimacy with individual Marriot property owners

Answer: b **Difficulty: Easy** **Reference: p. 386**

(Evaluation in terms of compare, choose)

35. Management should control the development of end-user applications by:

- a. developing a formal development methodology.
- b. requiring cost justification for end-user IS projects.
- c. establishing standards for user-developed applications.
- d. both b and c.

Answer: d **Difficulty: Hard** **Reference: p. 387**

36. Fourth-generation tools cannot replace conventional development tools because:

- a. they cannot handle large numbers of transactions or extensive procedural logic.
- b. they are not designed to integrate with legacy systems.
- c. they do not incorporate methods for documentation.
- d. they do not incorporate methods for testing.

Answer: a **Difficulty: Hard** **Reference: p. 387**

37. If an organization's requirements conflict with the software package chosen and the package cannot be customized, the organization will have to:

- a. change its procedures.
- b. outsource the development of the system.
- c. redesign the RFP.
- d. change the evaluation process.

Answer: a **Difficulty: Easy** **Reference: p. 388**

38. “Hidden costs” such as _____ can easily undercut anticipated benefits from outsourcing.

- a. monitoring vendors to make sure they often are fulfilling their contractual obligations
- b. transitioning to a new vendor
- c. identifying and evaluating vendors of information technology services
- d. a, b, and c

Answer: d **Difficulty: Easy** **Reference: p. 388**

39. The process of creating workable information systems in a very short period of time is called:

- a. RAD.
- b. JAD.
- c. Prototyping.
- d. End-user development.

Answer: a **Difficulty: Easy** **Reference: p. 389**

40. This type of systems development is characterized by significantly speeding up the design phase and the generation of information requirements and involving users at an intense level.

- a. RAD
- b. JAD
- c. Prototyping
- d. End-user development

Answer: b **Difficulty: Easy** **Reference: p. 390**

41. The primary tool for representing a system’s component processes and the flow of data between them is the:

- a. data dictionary.
- b. process specifications diagram.
- c. user documentation.
- d. data flow diagram.

Answer: d **Difficulty: Easy** **Reference: p. 390**

42. To show each level of a system's design, it's relationship to other levels, and its place in the overall design structure, structured methodologies use:
- a. structure charts.
 - b. gantt charts and PERT.
 - c. process specifications diagrams.
 - d. data flow diagrams.

Answer: a **Difficulty: Medium** **Reference: p. 391**

43. An entire information system is broken down into its subsystems by using:
- a. high-level data flow diagrams.
 - b. low-level data flow diagrams.
 - c. process specifications.
 - d. structured diagrams.

Answer: a **Difficulty: Medium** **Reference: p. 391**

44. (*Analysis*)

In an object-oriented development framework for a university, how would the classes Degree, Mathematics, and Physics be related?

- a. Degree would be a sister class to Mathematics and Physics
- b. Degree is a superclass to Mathematics and Physics
- c. Mathematics and Physics would be ancestors to Degree
- d. Degree would be a subclass to Mathematics and Physics

Answer: b **Difficulty: Medium** **Reference: p. 392**

(*Analysis in terms of categorize*)

45. Object-oriented modeling is based on the concepts of:
- a. objects and relationships.
 - b. classes and objects.
 - c. class and inheritance.
 - d. objects and inheritance.

Answer: c **Difficulty: Medium** **Reference: p. 392**

46. Object-oriented development could potentially reduce the time and cost of writing software because:

- a. object-oriented programming requires less training.
- b. iterative prototyping is not required.
- c. objects are reusable.
- d. a single user interface object can be used for the entire application.

Answer: c **Difficulty: Easy** **Reference: p. 392**

47. Groups of objects are assembled into software components for common functions, which can be combined into large-scale business applications, in this type of software development:

- a. object-oriented development.
- b. component-based development.
- c. structured methodologies.
- d. RAD.

Answer: b **Difficulty: Easy** **Reference: p. 393**

48. Compared to the use of proprietary components, Web services promise to be less expensive and less difficult to implement because of:

- a. their ability to integrate seamlessly with legacy systems.
- b. the use of universal standards.
- c. the ubiquity of the Internet.
- d. the ability to reuse Web services components.

Answer: b **Difficulty: Easy** **Reference: p. 393**

49. *(Analysis)*

The difficulties with Comair's information system illustrate the effect of which common software development problem?

- a. Inadequate risk assessment
- b. Unsuccessful change management
- c. Poor user acceptance
- d. Inadequate information requirements

Answer: a **Difficulty: Medium** **Reference: p. 399**

(Analysis in terms of categorize)

50. (Synthesis)

You are an IT project manager for an advertising firm. The firm wishes to create an online survey tool that will be used to survey focus group reactions to products in development. The most important consideration for the firm is being able to offer the tool as soon as possible as a new corporate service. However, you know that many of the senior managers that are business owners of this project have difficulty in understanding technical or software development issues, and are likely to change their requirements during the course of development. What development method would be most successful for this project?

- a. RAD
- b. JAD
- c. End-user development
- d. Prototyping

Answer: d Difficulty: Medium Reference: p.

(Synthesis in terms of compose, formulate, manage)

Chapter 12

Ethical and Social Issues in Information Systems

Multiple-Choice Questions

1. *(Evaluation)*

What central issue of this chapter does the Washington, D.C., public school bus system's technical innovations illustrate?

- a. Information technology often has unexpected effects
- b. Technology can be a double-edge sword
- c. The negative effects of technology are little understood
- d. In most cases, the positive effects of technology overshadow the negative effects

Answer: b **Difficulty: Easy** **Reference: p. 402**

(Evaluation in terms of appraise, assess)

2. *(Analysis)*

Which of the five moral dimensions of the information age did the D.C. school bus information system raise?

- a. Quality of life
- b. System quality
- c. Accountability and control
- d. Information rights and obligations

Answer: d **Difficulty: Easy** **Reference: p. 402**

(Analysis in terms of categorize)

3. Which ethical issues will be most central if your career is in finance and accounting?

- a. Protecting information systems from fraud and abuse
- b. Enforcing corporate ethics policies
- c. Responsibility regarding data accuracy and quality
- d. Privacy issues concerning customer data

Answer: a **Difficulty: Easy** **Reference: p. 403**

4. Information systems:

- a. pose traditional ethical situations in new manners.
- b. raise new ethical questions.
- c. raise the same ethical questions created by the industrial revolution.
- d. raise ethical questions primarily related to information rights and obligations.

Answer: b **Difficulty: Easy** **Reference: p. 404**

5. The introduction of new information technology has a:

- a. dampening effect on the discourse of business ethics.
- b. ripple effect raising new ethical, social, and political issues.
- c. beneficial effect for society as a whole, while raising dilemmas for consumers.
- d. waterfall effect in raising ever more complex ethical issues.

Answer: b **Difficulty: Easy** **Reference: p. 405**

6. The moral dimensions of the information society:

- a. are geographically and politically biased.
- b. are primarily addressed by existing intellectual property rights laws.
- c. are predominantly quality-of-life issues.
- d. cut across individual, social, and political levels of actions.

Answer: d **Difficulty: Easy** **Reference: p. 405**

7. The four key technical trends responsible for current ethical stresses related to information technology are:

- a. doubling of computer power every 18 months, data analysis advances, networking advances, the Internet.
- b. doubling of computer power every 18 months, declining data storage costs, data analysis advances, lack of international standards for data protection.
- c. doubling of computer power every 18 months, declining data storage costs, data analysis advances, networking advances and the Internet.
- d. doubling of computer power every 18 months, declining data storage costs, data analysis advances, ease in file sharing and copying.

Answer: c **Difficulty: Medium** **Reference: p. 406**

8. In the information age, the obligations that individuals and organizations have concerning rights to intellectual property fall within the moral dimension of:

- a. property rights and obligations.
- b. system quality.
- c. accountability and control.
- d. information rights and obligations.

Answer: a **Difficulty: Easy** **Reference: p. 406**

9. Advances in data storage techniques and rapidly declining storage costs have:

- a. doubled humanity's knowledge.
- b. made universal access possible.
- c. doubled every 18 months.
- d. made routine violations of privacy cheap and effective.

Answer: d **Difficulty: Easy** **Reference: p. 406**

10. The use of computers to combine data from multiple sources and create electronic dossiers of detailed information on individuals is called:

- a. profiling.
- b. Spyware.
- c. spamming.
- d. targeting.

Answer: a **Difficulty: Easy** **Reference: p. 407**

11. NORA is:

- a. profiling technology used by the EU.
- b. federal privacy law protecting networked data.
- c. a new data analysis technology that finds hidden connections between data in disparate sources.
- d. sentencing guidelines adopted in 1987 mandating stiff sentences on business executives.

Answer: c **Difficulty: Medium** **Reference: p. 407**

12. Accepting the potential costs, duties, and obligations for the decisions you make is referred to as:

- a. Responsibility
- b. Accountability
- c. Liability
- d. Due process

Answer: a **Difficulty: Medium** **Reference: p. 408**

13. The feature of social institutions that means mechanisms are in place to determine responsibility for an action is called:

- a. due process.
- b. accountability.
- c. courts of appeal.
- d. judicial system.

Answer: b **Difficulty: Medium** **Reference: p. 408**

14. The process in law-governed societies in which laws are known and understood and there is an ability to appeal to higher authorities to ensure that the laws are applied correctly is called:

- a. liability.
- b. due process.
- c. courts of appeal.
- d. FOI appeals.

Answer: b **Difficulty: Medium** **Reference: p. 408**

15. Which of the following is not one of the five steps discussed in the chapter as a process for analyzing an ethical issue?

- a. Assign responsibility
- b. Identify the stakeholders
- c. Identify the options you can reasonably take
- d. Identify and clearly describe the facts

Answer: a **Difficulty: Medium** **Reference: p. 409**

16. (*Analysis*)

A colleague of yours frequently takes small amounts of office supplies, noting that the loss to the company is minimal. You counter that if everyone were to take the office supplies, the loss would no longer be minimal. Your rationale expresses which historical ethical principle?

- a. Kant's Categorical Imperative
- b. The Golden Rule
- c. Descarte's Rule of Change
- d. The "No free lunch" rule

Answer: c **Difficulty: Medium** **Reference: p. 409**

(*Analysis in terms of categorize*)

17. (Analysis)

A classic ethical dilemma is the hypothetical case of a man stealing from a grocery store in order to feed his starving family. If one used the Utilitarian Principle to evaluate this situation, you might argue that:

- a. stealing the food is acceptable, because the grocer suffers the least harm.
- b. stealing the food is acceptable, because the higher value is the survival of the family.
- c. stealing the food is wrong, because the man would not want the grocery to steal from him.
- d. stealing the food is wrong, because if everyone were to do this, the concept of personal property is defeated.

Answer: b Difficulty: Medium Reference: p. 409

(Analysis in terms of categorize)

18. Immanuel Kant's Categorical Imperative states that:

- a. if an action cannot be taken repeatedly, then it is not right to be taken at any time.
- b. one should take the action that produces the least harm or incurs the least cost.
- c. one can put values in rank order and understand the consequences of various courses of action.
- d. if an action is not right for everyone to take, it is not right for anyone to take.

Answer: d Difficulty: Medium Reference: p. 409

19. The ethical "no free lunch" rule states that:

- a. if an action cannot be taken repeatedly, then it is not right to be taken at any time.
- b. one should take the action that produces the least harm or incurs the least cost.
- c. one can put values in rank order and understand the consequences of various courses of action.
- d. everything is owned by someone else, and that the creator wants compensation for this work.

Answer: d Difficulty: Medium Reference: p. 410

20. The ethical rules discussed in the textbook:

- a. are based on political philosophies.
- b. cannot always be guides to actions.
- c. do not always apply in an e-commerce situation.
- d. do not allow for competing values.

Answer: b Difficulty: Medium Reference: p. 410

21. Which U.S. act restricts the information the federal government can collect and regulates what they can do with the information?

- a. Privacy Act of 1974
- b. Gramm-Leach-Bliley Act of 1999
- c. Freedom of Information Act
- d. HIPAA of 1996

Answer: a **Difficulty: Medium** **Reference: p. 411**

22. FIP principles are based on the notion of:

- a. accountability.
- b. responsibility.
- c. mutuality of interest.
- d. ethical behavior.

Answer: c **Difficulty: Easy** **Reference: p. 411**

23. The Federal Trade Commission Fair Information Practice principle of Notice/Awareness states that:

- a. customers must be allowed to choose how their information will be used for secondary purposes other than the supporting transaction.
- b. data collectors must take responsible steps to assure that consumer information is accurate and secure from unauthorized use.
- c. there is a mechanism in place to enforce FIP principles.
- d. Web sites must disclose their information practices before collecting data.

Answer: d **Difficulty: Easy** **Reference: p. 412**

24. European privacy protection is _____ than in the United States.

- a. less far-reaching
- b. less liable to laws
- c. much less stringent
- d. much more stringent

Answer: d **Difficulty: Medium** **Reference: p. 413**

25. U.S. businesses are allowed to use personal data from EU countries if they:

- a. have informed consent.
- b. make sure they comply with U.S. data protection laws.
- c. develop a safe harbor framework for the data.
- d. make their privacy protection policies publicly available.

Answer: c **Difficulty: Medium** **Reference: p. 413**

26. When a cookie is created during a Web site visit, it is stored:

- a. on the Web site computer.
- b. on the visitor's computer.
- c. on the ISP's computer.
- d. in a Web directory.

Answer: b **Difficulty: Easy** **Reference: p. 413**

27. The Online Privacy Alliance:

- a. encourages self-regulation to develop a set of privacy guidelines for its members.
- b. protects user privacy during interactions with Web sites.
- c. has established technical guidelines for ensuring privacy.
- d. is a government agency regulating the use of customer information.

Answer: a **Difficulty: Easy** **Reference: p. 414**

28. P3P stands for:

- a. Privacy for Personal Protection.
- b. Platform for Privacy Preferences.
- c. Preferences for Personal Privacy
- d. Protection of Personal Privacy.

Answer: b **Difficulty: Easy** **Reference: p. 415**

29. The P3P standard is concerned with:

- a. controlling pop-up ads based on user profiles and preventing ads from collecting or sending information.
- b. allowing users to surf the Web anonymously.
- c. scrambling data so that it can't be read.
- d. blocking or limiting cookies.

Answer: d **Difficulty: Easy** **Reference: p. 415-416**

30. The limitation of trade secret protection is that although virtually all software programs of any complexity contain unique elements of some sort, it is difficult to prevent the ideas in the work from falling into the public domain:

- a. when the courts become involved.
- b. when hackers are able to break into the source code.
- c. when the software is widely distributed.
- d. when a new version of the software is released.

Answer: c **Difficulty: Easy** **Reference: p. 416**

31. Intellectual property can best be described as:

- a. intangible property created by individuals or corporations.
- b. unique creative work or ideas.
- c. tangible or intangible property created from a unique idea.
- d. the expression of an intangible idea.

Answer: a **Difficulty: Easy** **Reference: p. 416**

32. What legal mechanism protects the owners of intellectual property from having their work copied by others?

- a. Patent protection
- b. Intellectual property law
- c. Copyright
- d. Fair Use Doctrine

Answer: c **Difficulty: Easy** **Reference: p. 416**

33. “Look and feel” copyright infringement lawsuits are concerned with:

- a. the distinction between tangible and intangible ideas.
- b. the distinction between an idea and its expression.
- c. copying graphical elements of a product.
- d. copying creative elements of a product.

Answer: b **Difficulty: Medium** **Reference: p. 416**

34. The strength of patent protection is that it:

- a. puts the strength of law behind copyright.
- b. allows protection from Internet theft of ideas put forth publicly.
- c. is easy to define.
- d. grants a monopoly on the underlying concepts and ideas.

Answer: d **Difficulty: Easy** **Reference: p. 417**

35. One of the difficulties of patent protection is:

- a. that only the underlying ideas are protected.
- b. digital media cannot be patented.
- c. assuring protection against theft.
- d. the years of waiting to receive it.

Answer: d **Difficulty: Hard** **Reference: p. 417**

36. Which of the following adjusts copyright laws to the Internet age by making it illegal to make, distribute, or use devices that circumvent technology-based protections of copyrighted materials?

- a. Digital Millennium Copyright Act
- b. Privacy Act
- c. Freedom of Information Act
- d. Electronic Communications Privacy Act

Answer: a **Difficulty: Hard** **Reference: pp. 418**

37. In general, it is very difficult to hold software producers liable for their software products when those products are considered to be:

- a. part of a machine.
- b. similar to books.
- c. services.
- d. financial services.

Answer: b **Difficulty: Medium** **Reference: p. 418**

38. _____ are not held liable for the messages they transmit:

- a. Regulated common carriers
- b. Private individuals
- c. Organizations and businesses
- d. Congressional delegates

Answer: a **Difficulty: Medium** **Reference: p. 419**

39. It is not feasible for companies to produce error-free software because:

- a. any programming code is susceptible to error.
- b. it is too expensive create perfect software.
- c. errors can be introduced in the maintenance stage of development.
- d. any software of any complexity will have errors.

Answer: b **Difficulty: Medium** **Reference: p. 419**

40. The most common source of business system failure is:

- a. software bugs.
- b. software errors.
- c. hardware or facilities failures.
- d. data quality.

Answer: d **Difficulty: Medium** **Reference: p. 419**

41. *(Analysis)*

Which two of the five moral dimensions of the information age did the case study of the National Cancer Institute of Panama raise?

- a. Quality of life and system quality
- b. System quality and accountability and control
- c. Accountability and control
- d. Information rights and obligations and quality of life

Answer: b Difficulty: Easy Reference: p. 420

(Analysis in terms of categorize)

42. The “do anything anywhere” computing environment can:

- a. make work environments much more pleasant.
- b. create economies of efficiency.
- c. centralize power at corporate headquarters.
- d. blur the traditional boundaries between work and family time.

Answer: d Difficulty: Medium Reference: p. 421

43. The practice of spamming has been growing because:

- a. telephone solicitation is no longer legal.
- b. it is good advertising practice and brings in many new customers.
- c. it helps pay for the Internet.
- d. it is so inexpensive and can reach so many people.

Answer: d Difficulty: Easy Reference: p. 422

44. *(Analysis)*

Re-designing and automating business processes can be seen as a double-edged sword because:

- a. the increases in efficiency may be accompanied by job losses.
- b. the increases in efficiency may be accompanied by poor data quality.
- c. the support for middle-management decision making may be offset by poor data quality.
- d. the reliance on technology results in the loss of hands-on knowledge.

Answer: a Difficulty: Medium Reference: p. 423

(Analysis in terms of categorize, examine)

45. The U.S. CAN-SPAM Act of 2003:

- a. makes spamming illegal.
- b. requires spammers to identify themselves.
- c. has dramatically cut down spamming.
- d. does not override state anti-spamming laws.

Answer: b **Difficulty: Hard** **Reference: p. 424**

46. (*Analysis*)

Which of the five moral dimensions of the information age does spamming raise?

- a. Quality of life
- b. System quality
- c. Accountability and control
- d. Information rights and obligations

Answer: a **Difficulty: Medium** **Reference: p. 424**

(*Analysis in terms of categorize*)

47. Which of the following refers to large disparities in access to computers and the Internet among different social groups and different locations?

- a. Computer divide
- b. Technology divide
- c. Digital divide
- d. Information divide

Answer: c **Difficulty: Easy** **Reference: p. 425**

48. CVS refers to:

- a. eyestrain related to computer display screen use.
- b. eomputer virus syndrome.
- c. wrist injuries brought about by incorrect hand position when using a keyboard.
- d. stress induced by technology.

Answer: a **Difficulty: Easy** **Reference: p. 425**

49. Which of the following is stress induced by computer use, and its symptoms include aggravation, hostility toward humans, impatience, and enervation?

- a. Computer stress
- b. CVS
- c. Carpal tunnel syndrome
- d. Technostress

Answer: d **Difficulty: Easy** **Reference: p. 426**

50. *(Analysis)*

Which of the five moral dimensions of the information age do the central business activities of ChoicePoint raise?

- a. Property rights and obligations
- b. System quality
- c. Accountability and control
- d. Information rights and obligations

Answer: d Difficulty: Medium Reference: p. 430

(Analysis in terms of categorize)