

Processes, Systems, and Information (Kroenke/McKinney)
Chapter 7 Supporting the Procurement Process with SAP

1) Procurement is the process of collecting, storing, and physically distributing products to buyers.

Answer: FALSE

Page Ref: 186

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

2) Buying raw materials from an external vendor is an example of procurement.

Answer: TRUE

Page Ref: 186

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

3) A purchase order is a document issued by suppliers to confirm an order placed by a company.

Answer: FALSE

Page Ref: 187

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

4) A purchase order specifies the quantity of a product or service and the payment to be made to the supplier.

Answer: TRUE

Page Ref: 187

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

5) A company stores the products that it manufactures in raw materials inventory.

Answer: FALSE

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Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

6) Products awaiting delivery to customers are stored in finished goods inventory.

Answer: TRUE

Page Ref: 188

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

7) Prior to the implementation of SAP at CBI, the warehouse manager was responsible for ordering and receiving raw materials.

Answer: TRUE

Page Ref: 188

Difficulty: Easy

Chapter LO: 2

Course LO: Discuss the role of information systems in supply chain management and performance

8) An invoice contains the amount due and the purchase order number for that invoice.

Answer: TRUE

Page Ref: 189

Difficulty: Easy

Chapter LO: 2

Course LO: Discuss the role of information systems in supply chain management and performance

9) CBI used a single database for the entire procurement process before the implementation of SAP.

Answer: FALSE

Page Ref: 189

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supply chain management and performance

10) Prior to the implementation of SAP, the most important problem facing the accounting department at CBI was growth in the finished goods inventory.

Answer: FALSE

Page Ref: 191

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

11) CBI had no purchasing department before the implementation of SAP.

Answer: TRUE

Page Ref: 191

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

12) A major disadvantage of an ERP system is that it weakens the internal controls that exist within an organization.

Answer: FALSE

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

13) Internal controls systematically limit the actions and behaviors of employees, processes, and systems within the organization to safeguard assets and to achieve objectives.

Answer: TRUE

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

14) CBI initiated the planning process to implement SAP by determining the structure of its industry.

Answer: TRUE

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can be used to gain and sustain competitive advantage

15) ERP systems help organizations keep track of inventory turnover.

Answer: TRUE

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supply chain management and performance

16) CBI adopted an industry-wide differentiation strategy to aid the implementation of SAP.

Answer: FALSE

Page Ref: 192

Difficulty: Easy

Chapter LO: 4

Course LO: Explain how IS can be used to gain and sustain competitive advantage

17) Offering a product that has the lowest cost within an industry segment is called focused differentiation.

Answer: FALSE

Page Ref: 193

Difficulty: Easy

Chapter LO: 4

Course LO: Discuss the role of information systems in supply chain management and performance

18) Providing better products across an industry is known as industry-wide differentiation.

Answer: TRUE

Page Ref: 193

Difficulty: Easy

Chapter LO: 4

Course LO: Discuss the role of information systems in supply chain management and performance

19) Greater responsiveness to customers was the efficiency objective that CBI had chosen for its new procurement process.

Answer: FALSE

Page Ref: 193

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supply chain management and performance

20) The order activity at CBI has changed significantly after the implementation of SAP.

Answer: TRUE

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

21) A purchase requisition is a formal order sent to a supplier for the purchase of materials.

Answer: FALSE

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

22) In the new SAP system implemented at CBI, a human actor has to initiate purchase requests.

Answer: FALSE

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

23) In the new SAP system at CBI, the purchasing manager should approve a purchase request for it to be converted to a purchase order.

Answer: TRUE

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

24) At CBI, the purchase requests that are generated using SAP are shared with suppliers.

Answer: FALSE

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

25) Every SAP screen is associated with a title.

Answer: TRUE

Page Ref: 195

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

26) Users should input data in the header section of an SAP screen.

Answer: TRUE

Page Ref: 195

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

27) Suppliers ship products to CBI immediately after a purchase request is generated in the SAP system.

Answer: FALSE

Page Ref: 195

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

28) The final activity of the procurement process at CBI is posting an outgoing payment.

Answer: TRUE

Page Ref: 196

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

29) Each actor involved in the procurement process at CBI has access to all the screens in the new SAP system.

Answer: FALSE

Page Ref: 196

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

30) All the procurement data is stored in one central database in the new SAP system at CBI.

Answer: TRUE

Page Ref: 196

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

31) SAP helped CBI's procurement process become more responsive to customer demands.

Answer: TRUE

Page Ref: 197

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

32) In the supply chain, the returns management process is used to manage the financial returns of a company.

Answer: FALSE

Page Ref: 198

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

33) In the supply chain, the supplier evaluation process is used to determine the criteria for supplier selection.

Answer: TRUE

Page Ref: 198

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

34) CBI does not share its sales data with its suppliers in real time using SAP.

Answer: FALSE

Page Ref: 198

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

35) The bullwhip effect occurs when companies order fewer supplies than what is required.

Answer: FALSE

Page Ref: 199

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

36) Having differentiated supply chain processes helps to reduce the bullwhip effect in the supply chain.

Answer: FALSE

Page Ref: 199

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

37) Process synergy occurs when processes are mutually supportive.

Answer: TRUE

Page Ref: 199

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

38) A bottleneck occurs when a limited resource greatly reduces the output of an integrated series of activities or processes.

Answer: TRUE

Page Ref: 200

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

39) Computer data or graphics are overlaid onto the physical environment with augmented reality.

Answer: TRUE

Page Ref: 201

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

40) Transportation is the lowest cost activity of the procurement process.

Answer: FALSE

Page Ref: 201

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

41) Additive manufacturing refers to manufacturing objects through the deposition of successive layers of material.

Answer: TRUE

Page Ref: 203

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

42) Additive manufacturing is also known as two-dimensional printing.

Answer: FALSE

Page Ref: 203

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

43) The implementation of SAP does not require employees to change or upgrade their skills.

Answer: FALSE

Page Ref: 204

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Discuss the role of information systems in supply chain management and performance

44) CBI reduces costs by shifting production to suppliers who can do the work at a lower cost.

Answer: TRUE

Page Ref: 204

Difficulty: Easy

Chapter LO: 7

Course LO: Discuss the role of information systems in supply chain management and performance

45) After the implementation of SAP at CBI, a purchasing agent was assigned the task of monitoring the purchase requisitions that the system kicked out every day.

Answer: TRUE

Page Ref: 205

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Discuss the role of information systems in supply chain management and performance

46) _____ is the process of obtaining the goods and services needed by an organization.

- A) Fabrication
- B) Procurement
- C) Lead generation
- D) Outbound logistics

Answer: B

Page Ref: 186

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

47) A car manufacturer purchases components such as seat belts, fenders, window seals, and panels from outside sources. This process of obtaining goods is called _____.

- A) procurement
- B) fabrication
- C) lead generation
- D) outbound logistics

Answer: A

Page Ref: 186

Difficulty: Moderate

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

48) Which of the following activities in the value chain includes receiving, storing and disseminating inputs to products?

- A) inbound logistics
- B) inventory control
- C) operations
- D) outbound logistics

Answer: A

Page Ref: 187

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

49) Which of the following is a written document that requests the delivery of a specified quantity of a product or service in return for payment?

- A) bill of materials
- B) purchase order
- C) receipt bill
- D) itemized bill

Answer: B

Page Ref: 187

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

50) A software consulting firm sends a formal document to its supplier, requesting for the delivery of 50 desktop computers. This is an example of a(n) _____.

- A) bill of materials
- B) receipt bill
- C) purchase order
- D) itemized bill

Answer: C

Page Ref: 187

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

51) A purchase order requests an action from a(n) _____.

- A) customer
- B) retailer
- C) internal consultant
- D) supplier

Answer: D

Page Ref: 187

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

52) Raw materials inventory stores product components and other goods that are _____.

- A) manufactured within an organization
- B) used in external firms' production processes
- C) returned by customers
- D) procured from suppliers

Answer: D

Page Ref: 188

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

53) Finished goods inventory contains items that are _____.

- A) used as inputs in the firm's manufacturing process
- B) awaiting delivery to customers
- C) returned by customers due to quality issues
- D) placed in storage for future use by the company

Answer: B

Page Ref: 188

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

54) RSA Cycles, Inc. is a leading bicycle manufacturer. The company manufactures bicycles that cater to different market segments. Which of the following items, stored in RSA's warehouse, is considered finished goods inventory?

- A) metal parts obtained from small suppliers
- B) tires that are procured from a vendor
- C) bicycles that are to be shipped to retailers
- D) tools that workers use in the production process

Answer: C

Page Ref: 188

Difficulty: Moderate

AACSB: Analytic skills

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

55) Which of the following documents does a firm receive from its suppliers and contains details such as the amount due to the supplier?

- A) bill of materials
- B) purchase order
- C) itemized bill
- D) purchase requisition

Answer: C

Page Ref: 189

Difficulty: Easy

Chapter LO: 2

Course LO: Discuss the role of information systems in supply chain management and performance

56) The accounting database that existed in CBI before the implementation of SAP used to match the invoice data with the _____ and the goods receipt before making an entry in the database.

- A) purchase order
- B) inventory list
- C) accounts payable form
- D) purchase requisition

Answer: A

Page Ref: 189

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supply chain management and performance

57) Why did information silos exist in CBI before the implementation of SAP?

- A) The company used four different databases to store procurement information.
- B) The company's database was small and could not store necessary information.
- C) The company's database was large and centralized for all departments.
- D) The company's database did not match purchase orders with suppliers' invoices.

Answer: A

Page Ref: 189

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supply chain management and performance

58) Before the implementation of SAP, CBI _____.

- A) had multiple warehouses for different types of products and raw materials
- B) stored finished goods and raw materials in the same warehouse
- C) stored raw materials closer to the factory and finished goods closer to customers
- D) had separate warehouses for finished goods and raw materials

Answer: B

Page Ref: 191

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

59) Before the implementation of SAP, what problem did CBI face when it held large quantities of finished goods?

- A) Demand exceeded CBI's production capacity.
- B) The sales database became saturated and redundant.
- C) The space for storing raw materials was reduced.
- D) Certain bike models had more buyers than others.

Answer: C

Page Ref: 191

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

60) The warehouse manager at CBI was unable to identify the cause of a sudden increase in the sales of certain bike models. Which of the following was the reason for this?

- A) The sales database did not contain information about sales promotions.
- B) CBI did not have a sales database.
- C) The sales database did not contain information about the prices of product accessories.
- D) The sales database contained too much information about discounts and marketing campaigns.

Answer: A

Page Ref: 191

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

61) Which of the following is a valid observation of the purchase process that existed in CBI before the implementation of SAP?

- A) The company's purchasing department functioned effectively, but not efficiently.
- B) The company operated without a purchasing department.
- C) The company's purchasing agents were meticulous record keepers.
- D) The company's purchasing agents operated out of a central location.

Answer: B

Page Ref: 191

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

62) _____ systematically limit(s) the actions and behaviors of employees, processes, and organizational systems to safeguard assets and to achieve objectives.

- A) Internal controls
- B) Collaborative systems
- C) Employee monitoring software
- D) Augmented reality

Answer: A

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

63) CBI initiated its SAP planning process by _____.

- A) choosing a specific ERP package
- B) creating a single inventory database
- C) determining the structure of its industry
- D) deciding on a specific SAP package

Answer: C

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can be used to gain and sustain competitive advantage

64) Which of the following efficiency objectives did CBI choose for its new procurement process?

- A) reducing the cost of procuring supplies
- B) larger finished goods inventory
- C) larger inventory of raw materials
- D) fewer errors in obtaining a three-way match

Answer: D

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can be used to gain and sustain competitive advantage

65) CBI believed that SAP would help the company focus its processes on _____.

- A) improving responsiveness to customers
- B) achieving the lowest cost across the industry
- C) achieving the lowest cost within its segment
- D) improving the production of low-end bikes

Answer: A

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can be used to gain and sustain competitive advantage

66) Identify the competitive strategy that CBI decided to adopt in order to implement SAP.

- A) industry-wide low cost strategy
- B) focused low cost strategy
- C) focused differentiation strategy
- D) industry-wide differentiation strategy

Answer: C

Page Ref: 193

Difficulty: Easy

Chapter LO: 4

Course LO: Explain how IS can be used to gain and sustain competitive advantage

67) Before implementing any ERP system, an organization must first use _____.

- A) a suitable information system to calculate the costs of existing inventory
- B) a survey to understand the shortcomings of the existing system
- C) the most economical technology available to reduce the initial costs of implementation
- D) its strategy to set objectives and measures for major business processes

Answer: D

Page Ref: 193

Difficulty: Easy

Chapter LO: 4

Course LO: Explain how IS can be used to gain and sustain competitive advantage

68) A(n) _____ is an internal company document that issues an order for a purchase.

- A) bill of materials
- B) purchase order
- C) itemized bill
- D) purchase requisition

Answer: D

Page Ref: 194

Difficulty: Easy

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

69) In the new SAP system implemented at CBI, the purchase requisition activity is _____.

- A) initiated by suppliers
- B) an automated process
- C) initiated by accountants
- D) performed by a human actor

Answer: B

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

70) The systems manager of an organization issues an order to the purchasing manager for the purchase of 15 new desktop computers. This is an example of a(n) _____.

- A) procurement order
- B) purchase requisition
- C) purchase order
- D) itemized bill

Answer: B

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

71) CBI shares _____ with its suppliers using SAP.

- A) sales revenue information
- B) purchase orders
- C) purchase requests
- D) warehouse statistics

Answer: B

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

72) Which of the following actions is performed manually in the SAP system installed at CBI?

- A) notifying the supplier
- B) generating a purchase request
- C) approving a purchase requisition
- D) creating a unique PO number

Answer: C

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

73) Which of the following is the final activity of the procurement process at CBI after the implementation of SAP?

- A) approving a purchase requisition
- B) generating an invoice
- C) creating a goods receipt
- D) posting an outgoing payment

Answer: D

Page Ref: 196

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

74) SAP helped CBI overcome the problems of its old procurement process by _____.

- A) bringing all the data into one place for use in real time
- B) establishing independent functional databases
- C) avoiding the process of checking three-way matches
- D) creating accounting, sales, and operational databases

Answer: A

Page Ref: 196

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

75) The returns management process in a supply chain manages _____.

- A) returns of faulty inputs used in the production process
- B) relationships with internal suppliers
- C) returns of faulty products for businesses
- D) financial returns from sales and other sources

Answer: C

Page Ref: 198

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

76) Which of the following supply chain processes is strategic in nature?

- A) evaluation of suppliers
- B) returns management
- C) procurement of materials
- D) supplier relationship management

Answer: A

Page Ref: 198

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

77) Which of the following is an operational supply chain process?

- A) evaluation of suppliers
- B) procurement of materials
- C) returns management
- D) supplier relationship management

Answer: B

Page Ref: 198

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

78) The _____ effect occurs when companies order more supplies than are needed due to a sudden change in demand.

- A) just-in-time
- B) roll up
- C) bullwhip
- D) Doppler

Answer: C

Page Ref: 199

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

79) A large manufacturing company offers a forty percent discount on all its products for a short period of time. As a result, the retailers order and stock more products than needed in order to cash in on the opportunity. This situation refers to the _____.

- A) just-in-time effect
- B) roll up process
- C) Doppler effect
- D) bullwhip effect

Answer: D

Page Ref: 199

Difficulty: Moderate

AACSB: Analytic skills

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

80) Which of the following is a potential solution to the bullwhip effect?

- A) increasing the number of levels in the supply chain
- B) increasing manufacturing capacity
- C) reducing the number of salespeople
- D) sharing sales order data in real-time

Answer: D

Page Ref: 199

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

81) A _____ occurs when a limited resource greatly reduces the output of an integrated series of activities or processes.

- A) bottleneck
- B) buy-in
- C) three-way match
- D) bullwhip

Answer: A

Page Ref: 200

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

82) With _____, computer data or graphics are overlaid onto the physical environment.

- A) radio-frequency identification
- B) augmented reality
- C) 3D printing
- D) digital fabrication

Answer: B

Page Ref: 201

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

83) Movies use animated content to enhance visuals. This is an example of _____.

- A) radio-frequency identification
- B) digital fabrication
- C) augmented reality
- D) additive manufacturing

Answer: C

Page Ref: 201

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

84) Radio-frequency identification technology is used in supply chains to _____.

- A) enable audio authentication
- B) facilitate 3D printing
- C) enhance the sensory appeal of products
- D) recognize and track items

Answer: D

Page Ref: 201

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

85) A manufacturer wants to keep track of all its shipments to suppliers, retailers, and customers. Which of the following is used for this purpose?

- A) radio-frequency identification
- B) roll up technology
- C) augmented reality
- D) additive manufacturing

Answer: A

Page Ref: 201

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

86) In additive manufacturing, objects are manufactured through the _____.

- A) placement of integrated chips on objects
- B) deposition of successive layers of material
- C) superimposition of computer data on physical objects
- D) use of computer graphics and animation

Answer: B

Page Ref: 203

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

87) Which of the following statements is true regarding the impact of SAP on organizations?

- A) Organizations become less process-focused after implementing SAP.
- B) Organizations tend to perform more activities in-house after implementing SAP.
- C) Inter-departmental data sharing reduces after implementing SAP.
- D) People require new sets of skills after implementing SAP.

Answer: D

Page Ref: 205

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Discuss the role of information systems in supply chain management and performance

88) Which of the following is a term that refers to selling a product or system for less than its true price?

- A) bottleneck
- B) roll up
- C) buy-in
- D) bullwhip

Answer: C

Page Ref: 206

Difficulty: Easy

Chapter LO: 7

Course LO: Discuss the ethical and social issues raised by the use of information systems

89) Describe the procurement process in an organization.

Answer: Procurement is the process of obtaining goods and services. Examples of these goods are raw materials, machine spare parts, and cafeteria services. Procurement is an operational process executed hundreds or thousands of times a day in a large organization.

Page Ref: 186

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

90) What are the main procurement activities?

Answer: The three main procurement activities are Order, Receive, and Pay. These three activities are performed by actors in different departments.

Page Ref: 186

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

91) Describe the two types of inventory used in CBI.

Answer: CBI maintains two types of inventory. Raw materials inventory stores components like bicycle tires and other goods procured from suppliers. These raw materials must be on hand for assembly operations to occur in the production process. At CBI, raw materials inventory includes bike frames, wheels, and seats.

Finished goods inventory is the completed products awaiting delivery to customers. At CBI, finished goods inventory is the assembled bikes and accessories.

Page Ref: 188

Difficulty: Moderate

Chapter LO: 1

Course LO: Discuss the role of information systems in supply chain management and performance

92) Describe the three-way match needed to approve payments in CBI.

Answer: CBI receives an invoice or itemized bill from the supplier. The data on the invoice are entered into the accounting database. Before the accountants pay the bill, they make sure that the data on the invoice matches the data in the purchase order and the goods receipt. If the data in this three-way match are consistent, a payment is made and the payment data are posted to the accounting database.

Page Ref: 189

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supply chain management and performance

93) Describe the problems that persisted in CBI's warehouse before implementing SAP.

Answer: CBI wanted to hold a wide variety of finished goods so that it could quickly respond to changes in customer demands. The finished goods inventory and the raw material inventory shared the same warehouse at CBI. So more finished goods meant that there was less room for raw materials.

Another problem was that the warehouse manager was blind to sales price data. The manager could log into the sales database to see what bikes and accessories CBI sold each day, but that database did not include price discounts. The manager did not know if a sudden increase in sales of one bike was due to a deep price discount or whether the product was being bundled with something else that was selling well.

Page Ref: 191

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

94) What were the problems faced by CBI's accounting department before the implementation of SAP?

Answer: One of the activities of the accounting department was to ensure that the three-way match was correct. When discrepancies occurred, the accounting department had to begin a costly and labor-intensive process that required several e-mails to the warehouse and the supplier to resolve. The other accounting problem was that accounting reports always lagged; they were never up-to-the-minute. It took the accountants several days to roll up, or compile and summarize, the accounting transactions into balance sheets and income statements.

Page Ref: 191

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

95) Explain the problems that CBI's purchasing department faced before the implementation of SAP.

Answer: CBI had no purchasing department, and that created many problems. First, the purchasing agents were scattered throughout the firm. They had diverse training, experience, and motivation. As a result, they produced a variety of mistakes on the purchase orders. Further, they had little knowledge about what was happening in other parts of the organization. These suppliers would have granted CBI lower prices if both purchase agent and the repair shop combined their purchases. The old procurement process at CBI required each of its purchasing agents to be meticulous record keepers. However, purchasing agents sometimes forgot to transcribe data from the handwritten purchase order to the database, used wrong addresses for suppliers, or entered incorrect totals. Doing their primary jobs was their passion; the procurement paperwork was a much lower priority. A final problem with the old process was that the upper management at CBI was under pressure from the board of directors to exercise more control over financial processes.

Page Ref: 191

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

96) What are internal controls?

Answer: Internal controls systematically limit the actions and behaviors of employees, processes and systems within the organization to safeguard assets and to achieve objectives. One of the key benefits of ERP systems and IS in general is improved internal controls of financial data.

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supply chain management and performance

97) Explain the strategy examination process that took place at CBI before the implementation of SAP.

Answer: For CBI, the strategy examination process has three activities: (1) Determine industry structure, (2) commit to a specific competitive strategy, and (3) develop objectives and measures for processes to support the competitive strategy.

CBI initiated its planning process by using Porter's Five Forces model to determine the structure of its industry. CBI determined that the bike wholesale industry has strong rivalry and that customers have low switching costs. Because of low switching costs, a bike retailer could easily switch from one bike maker to another. To survive and flourish in such an industry, CBI decided to pursue a competitive strategy that focused on high-end bikes and a differentiation strategy of responsiveness to retailers. The high-end bike industry segment includes very lightweight racing bikes and touring bikes with composite frames and sophisticated gear-shifting systems. Responsiveness means that orders from retailers are fulfilled rapidly; a retailer could order a wide range of products, and new hot-selling items would be available. While CBI pursues this competitive strategy, it also seeks to reduce its own internal costs, particularly in procurement and sales.

Page Ref: 192

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supply chain management and performance

98) What were the two efficiency objectives that the warehouse team decided on for the procurement process?

Answer: The warehouse team decided on two efficiency objectives: smaller finished goods inventory and fewer errors. To assess the less inventory objective, the team chose to keep track of inventory turnover, which is the number of times inventory is sold over a given period, most commonly a year. CBI also decided to measure the total cost of the inventory on hand. To assess the fewer errors objective, CBI decided to record three-way match errors.

Page Ref: 192

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supply chain management and performance

99) What were the effectiveness objectives that the warehouse team decided on for the procurement process?

Answer: On the effectiveness side, the warehouse team decided on two measures for better financial controls and three for responsiveness to customers. Financial controls will be better if the rolup time at the end of the month is shorter and if more managers make requests for financial reports. To evaluate responsiveness, the team picked order fulfillment time; number of products to sell; and stockouts of new, hot-selling products.

Page Ref: 192-193

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supply chain management and performance

100) Describe the purchase requisition activity at CBI after the implementation of SAP.

Answer: The order activity in the new procurement process at CBI begins with the Create Purchase Requisition activity. A purchase requisition is an internal company document that issues a request for a purchase. This activity is automated at CBI; a computer is the actor, not a human. For example, a PR is automatically generated when the amount of raw material inventory goes below the reorder point.

Page Ref: 194

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supply chain management and performance

101) Describe the following:

(1) Supplier relationship management

(2) Returns management

(3) Supplier evaluation

Answer: The supplier relationship management (SRM) process automates, simplifies, and accelerates a variety of supply chain processes. Broader than the single procurement process, SRM is a management process that helps companies reduce procurement costs, build collaborative supplier relationships, better manage supplier options, and improve time to market. The returns management process manages returns of faulty products for businesses. Efficiently getting the defect to the right supplier and charging the right cost to each company in the supply chain are the goals of the returns management process.

The supplier evaluation process determines the criteria for supplier selection and adds and removes suppliers from the list of approved suppliers.

Page Ref: 198

Difficulty: Easy

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

102) What is the bullwhip effect?

Answer: The bullwhip effect occurs when companies order more supplies than are needed due to a sudden change in demand.

Page Ref: 199

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

103) Explain how CBI used augmented reality to increase the efficiency of its warehouse.

Answer: With augmented reality (AR), computer data or graphics are overlaid onto the physical environment. Using AR, warehouse workers at CBI can look at video images of the warehouse and see overlaid on top of the image data about the location of a product they are looking for, the arrival date of the next shipment of a particular item, or the weight of a container. By augmenting reality with procurement data, CBI can save time looking for items and make other procurement and production activities more efficient.

Page Ref: 201

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

104) Explain how 3D printing technologies will impact CBI's procurement process.

Answer: With 3D printing, also called additive manufacturing, objects are manufactured through the deposition of successive layers of material. Just as two-dimensional printers deposit ink in two dimensions, 3D printers deposit material in three dimensions, layering material in the third dimension as it dries. Rather than rely on suppliers for all its raw materials, CBI may choose to "print" some raw materials in house. This will impact several supply chain processes and is an example of improving process synergy.

Page Ref: 203

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supply chain management and performance

105) Describe the changes that companies face while pursuing a procurement process with SAP with reference to the CBI example.

Answer: While pursuing a better procurement process with SAP, companies like CBI are inevitably changed. Some changes can be anticipated and are clear from the beginning. For example, CBI employees knew that SAP would require a new purchasing department to accomplish the procurement process. Other changes are more subtle, such as the new sets of skills necessary to optimize a supply chain. Another change that can be expected is that CBI will become more process focused; that is, it will increasingly focus on the inputs and outputs of its processes to connect with partner firms. Firms would also decide to outsource more as part of reducing costs.

Page Ref: 204

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Discuss the role of information systems in supply chain management and performance

Processes, Systems, and Information (Kroenke/McKinney)

Chapter 8 Supporting the Sales Process with SAP

1) A sale is an exchange of goods or services for money.

Answer: TRUE

Page Ref: 230

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

2) Shipping products to customers is considered a sales activity.

Answer: TRUE

Page Ref: 230

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

3) The sales process is a part of the outbound logistics activity of the value chain.

Answer: FALSE

Page Ref: 230

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

4) B2C sales are much more common than B2B sales.

Answer: FALSE

Page Ref: 231

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

5) Before the implementation of SAP at CBI, the various actors in the sales process used a unified sales database.

Answer: FALSE

Page Ref: 231

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

6) Prior to the implementation of SAP at CBI, accountants were authorized to approve sales orders.

Answer: TRUE

Page Ref: 232

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

7) Prior to the implementation of SAP at CBI, the sales department used to evaluate the risk of selling to a new customer.

Answer: FALSE

Page Ref: 232

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

8) Prior to the implementation of SAP at CBI, sales orders were passed on to the warehouse after approval by the accounting department.

Answer: TRUE

Page Ref: 233

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

9) The finished goods inventory used to get updated three times a day at CBI, before the implementation of SAP.

Answer: FALSE

Page Ref: 233

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

10) Prior to the implementation of SAP at CBI, the updated finished goods inventory data was sent to CBI's salespeople overnight.

Answer: TRUE

Page Ref: 233

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

11) Prior to the implementation of SAP, the warehouse at CBI used to pick and pack orders before receiving final permission to ship.

Answer: TRUE

Page Ref: 233

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

12) Prior to the implementation of SAP, the warehouse manager at CBI did not have any way to communicate with salespeople about upcoming supply disruptions.

Answer: TRUE

Page Ref: 234

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

13) Prior to the implementation of SAP at CBI, the warehouse used to check the credit of new customers.

Answer: FALSE

Page Ref: 234

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

14) After deciding to implement SAP, the top management at CBI reexamined the company's strategy and committed to a competitive strategy that focused on high-end bikes.

Answer: TRUE

Page Ref: 234

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supporting business processes

15) Faster customer response was an efficiency objective that CBI hoped to achieve through the implementation of SAP.

Answer: FALSE

Page Ref: 234

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supporting business processes

16) Reducing the number of cancelled sales was an effectiveness objective that CBI hoped to achieve through the implementation of SAP.

Answer: FALSE

Page Ref: 234

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supporting business processes

17) CBI's salespeople gained access to current inventory and price data after the implementation of SAP.

Answer: TRUE

Page Ref: 235

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

18) In the new SAP system at CBI, accountants have the responsibility of creating sales orders.

Answer: FALSE

Page Ref: 235

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

19) The Create Standard Order: Overview window in the SAP system is used to create new sales orders.

Answer: TRUE

Page Ref: 235

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

20) In the new SAP system at CBI, when a sales order is generated, a message is sent to the accounting department requesting credit approval.

Answer: TRUE

Page Ref: 236

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

21) In the new SAP system at CBI, the warehouse manager is responsible for credit approval.

Answer: FALSE

Page Ref: 236

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

22) At CBI, once a sales order is approved, SAP triggers a message to the warehouse manager to create an outbound document for this sales order.

Answer: TRUE

Page Ref: 236

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

23) CBI's warehouse manager uses the Billing Due List screen to update picked items in SAP.

Answer: FALSE

Page Ref: 236

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

24) In the new SAP system at CBI, warehouse managers are not authorized to overwrite the defaulted value that appears in the Deliv. Qty column of the Outbound Delivery screen.

Answer: FALSE

Page Ref: 236-237

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

25) At CBI, the Ship Goods activity occurs when a delivery truck leaves the warehouse with a shipment.

Answer: TRUE

Page Ref: 237

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

26) The legal ownership of a shipment does not change until it is delivered to the buyer.

Answer: FALSE

Page Ref: 238

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

27) Since the implementation of SAP at CBI, the accounting department generates a bill only after the warehouse has posted goods to the buyer.

Answer: TRUE

Page Ref: 238

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

28) The implementation of SAP at CBI resulted in slower customer responses although it facilitated up-to-date pricing.

Answer: FALSE

Page Ref: 239

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

29) SAP helped CBI reduce the number of cancelled sales to its best customers.

Answer: TRUE

Page Ref: 239

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

30) Sales promotion is a customer-facing process.

Answer: TRUE

Page Ref: 240

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

31) Demand management is a CRM process.

Answer: FALSE

Page Ref: 240

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

32) Sales promotion is an SCM process.

Answer: FALSE

Page Ref: 240

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

33) Process integration is improved in organizations when processes share data.

Answer: TRUE

Page Ref: 240

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

34) Increasing process synergy improves process integration.

Answer: TRUE

Page Ref: 241

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

35) SAP achieves process synergy by designing processes to work together.

Answer: TRUE

Page Ref: 242

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

36) Social CRM is an information system that social networks use to facilitate communication within their network.

Answer: FALSE

Page Ref: 242

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

37) Salesforce.com charges customers for their services using a pay-as-you-go plan.

Answer: TRUE

Page Ref: 243

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

38) Start-up costs are high when a firm uses Salesforce.com.

Answer: FALSE

Page Ref: 243

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

39) E-commerce is a multi-firm process of buying and selling goods and services using Internet technologies.

Answer: TRUE

Page Ref: 245

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

40) Nonmerchant companies are companies that own the goods they sell.

Answer: FALSE

Page Ref: 245

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

41) eBay is a Web site that matches sellers and buyers without owning any of the products that are sold through the site. eBay is a merchant company.

Answer: FALSE

Page Ref: 245

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

42) Information systems that support the sales process of B2C companies are typically Web storefronts that customers use to enter and manage their orders.

Answer: TRUE

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

43) B2B e-commerce refers to sales between companies.

Answer: TRUE

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

44) Clearinghouses match buyers and sellers by using an IS version of a standard auction.

Answer: FALSE

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

45) Auctions provide goods and services at a stated price and arrange for the delivery of the goods.

Answer: FALSE

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

46) An electronic exchange is a type of clearinghouse that matches buyers and sellers.

Answer: TRUE

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

47) Disintermediation is the elimination of middle layers of distributors and suppliers.

Answer: TRUE

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

48) Price elasticity measures the amount that demand rises or falls with changes in price.

Answer: TRUE

Page Ref: 247

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

49) Determining price elasticity is more difficult for an e-commerce company than a typical "bricks-and-mortar" company.

Answer: FALSE

Page Ref: 247

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

50) Which of the following is a main activity of the sales process?

A) procurement

B) payment

C) storage

D) manufacturing

Answer: B

Page Ref: 230

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the ethical and social issues raised by the use of information systems

51) Which of the following is a sales activity that is typically performed by a warehouse manager?

- A) shipment
- B) payment
- C) procurement
- D) manufacturing

Answer: A

Page Ref: 230

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

52) Which of the following statements is true of the sales process in an organization?

- A) It is a part of the outbound logistics activity of the value chain.
- B) It is a support process, though it is commonly mistaken for an operational process.
- C) It is a part of the inbound logistics activity of the value chain.
- D) Its major activities are selling, shipment, and payment.

Answer: D

Page Ref: 230

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

53) Before the implementation of SAP at CBI, which of the following was the first activity in its sales process?

- A) creation of sales orders
- B) approval of sales orders
- C) pre-sales actions
- D) creation of warehouse bills

Answer: C

Page Ref: 232

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

54) Prior to the implementation of SAP at CBI, which department was responsible for sending invoices to customers?

- A) purchasing
- B) accounting
- C) sales
- D) operations

Answer: B

Page Ref: 233

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

55) Prior to the implementation of SAP at CBI, which department was authorized to approve sales orders?

- A) accounting
- B) purchasing
- C) sales
- D) marketing

Answer: A

Page Ref: 232

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

56) Before the implementation of SAP at CBI, the _____ department was responsible for checking customers' credit history and determining the risk of selling to a customer .

- A) accounting
- B) marketing
- C) sales
- D) purchasing

Answer: A

Page Ref: 232

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

57) Before the implementation of SAP at CBI, many sales orders were rejected due to a lack of inventory. Which of the following was the reason for this?

- A) Sales staff were not given access to the warehouse database.
- B) Accountants failed to check inventory before approving a sale.
- C) Sales staff were not instructed to check the warehouse database.
- D) Inventory data in the warehouse database used to lag by a day.

Answer: D

Page Ref: 233

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

58) Prior to the implementation of SAP at CBI, sales orders that were approved by accounting were passed on to the _____.

- A) purchasing department
- B) sales agent
- C) warehouse
- D) sales department

Answer: C

Page Ref: 233

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

59) Prior to the implementation of SAP at CBI, why did the inventory data in the warehouse database lag by a day?

- A) The data about finished goods inventory used to get updated in the warehouse database only at the end of the day.
- B) The warehouse manager did not operate the warehouse database.
- C) The accounting department had to verify database entries before sending the information to the sales staff.
- D) The sales database was connected to the warehouse database, and this created synchronization issues.

Answer: A

Page Ref: 233

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

60) Which of the following was a problem that CBI's warehouse faced before implementing SAP?

- A) The warehouse was not given a specific database to enter details regarding inventory.
- B) The warehouse manager could not update the database without the approval of the accounting department.
- C) The purchase department used to handle shipments instead of the warehouse.
- D) The warehouse used to pick and pack inventory before receiving final approval.

Answer: D

Page Ref: 233

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

61) Identify the efficiency objective that sales managers at CBI had set for the implementation of SAP.

- A) reducing the number of cancelled orders
- B) greater responsiveness to customers
- C) greater responsiveness to retailers
- D) increasing the sale of first-year products

Answer: A

Page Ref: 234

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supporting business processes

62) Identify the effectiveness objective that sales managers at CBI had set for the implementation of SAP.

- A) increasing the number of product innovations
- B) responding faster to customers
- C) reducing the level of inventory
- D) reducing the cost of manufacturing

Answer: B

Page Ref: 234

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supporting business processes

63) Which of the following changes were made to the sales process at CBI after the implementation of SAP?

- A) The warehouse was responsible for assessing the credit risk of customers and was given access to the accounting database.
- B) The accounting department was removed from the sales process and was not given access to the sales database.
- C) The pre-sales activities were removed from the sales process, and inventory and price data were maintained by the warehouse.
- D) Multiple databases were removed, and a unified system was implemented to track all sales data.

Answer: D

Page Ref: 235

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

64) Who among the following is responsible for creating sales orders in the new SAP system at CBI?

- A) warehouse manager
- B) accountant
- C) sales agent
- D) warehouse agent

Answer: C

Page Ref: 235

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

65) In the new SAP system at CBI, once a sales order is created, _____.

- A) a credit approval request is generated
- B) an invoice is submitted
- C) a transaction number is created
- D) pre-sales actions are verified

Answer: A

Page Ref: 236

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

66) At CBI, the warehouse manager uses the _____ screen in the SAP system to ship items to customers.

- A) Post Incoming Payments
- B) Outbound Delivery
- C) Billing Due List
- D) Create Standard Order

Answer: B

Page Ref: 236

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

67) When the warehouse manager at CBI selects the Post Goods Issue button in SAP, _____.

- A) the legal ownership of the product changes
- B) a purchase request is generated for approval
- C) a purchase order is generated for approval
- D) a sales offer is made to the customer

Answer: A

Page Ref: 238

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

68) The accounting department at CBI receives a message that it can bill a customer for a sale when the _____.

- A) order is picked and packed at the warehouse
- B) sales order is approved in SAP
- C) sales order is generated in SAP
- D) warehouse posts the goods issue in SAP

Answer: D

Page Ref: 238

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

69) The accounting department at CBI uses the _____ screen in SAP to generate an invoice for a sales order.

- A) Post Incoming Payments
- B) Outbound Delivery
- C) Billing Due List
- D) Create Standard Order

Answer: C

Page Ref: 238

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

70) Which of the following is a general benefit that CBI has achieved as a result of implementing SAP?

- A) Every department has a dedicated database.
- B) The company has been able to focus on low-end customers.
- C) New customers are approved faster.
- D) The warehouse is allowed to ship orders even before approval.

Answer: C

Page Ref: 239

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

71) Which of the following is a customer-facing process at CBI?

- A) promotion
- B) demand management
- C) procurement
- D) returns management

Answer: A

Page Ref: 240

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

72) A CRM system is used to integrate processes such as _____.

- A) inbound and outbound logistics
- B) sales and services
- C) procurement and sales
- D) manufacturing and logistics

Answer: B

Page Ref: 240

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

73) Which of the following is a supply chain process?

- A) procurement
- B) sales
- C) service
- D) promotion

Answer: A

Page Ref: 240

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

74) Which of the following is a CRM process?

- A) demand management
- B) service
- C) procurement
- D) returns management

Answer: B

Page Ref: 240

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

75) Which of the following facilitates process integration?

- A) maintaining independent databases
- B) developing mutually supportive processes
- C) restricting access to sensitive data
- D) decentralizing process activities

Answer: B

Page Ref: 241

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

76) Social CRM is an information system that _____.

- A) is used by social networks to facilitate interaction between their members and third parties
- B) helps companies improve intra-departmental communication
- C) is used by social networks to gain feedback on how to improve the user experience
- D) helps companies collect customer data from social media and share it among their customer-facing processes

Answer: D

Page Ref: 242

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

77) Certain online CRM service providers use a pay-as-you-go plan to charge the customers. Such a payment arrangement is called _____.

- A) indirect billing
- B) site licensing
- C) cloud servicing
- D) software as a service

Answer: D

Page Ref: 243

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

78) _____ is the preeminent cloud-based CRM vendor.

- A) SAS
- B) Salesforce.com
- C) NetSuite
- D) SAP

Answer: B

Page Ref: 243

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

79) Which of the following statements is true regarding Salesforce.com?

- A) Companies need to have their own database before using Salesforce.com.
- B) Salesforce.com keeps its customers' data in the cloud.
- C) The software offered by Salesforce.com lacks scalability.
- D) Start-up costs associated with using Salesforce.com are typically high.

Answer: B

Page Ref: 243

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

80) _____ is a multi-firm process of buying and selling goods and services using Internet technologies.

- A) Social engineering
- B) Value networking
- C) E-commerce
- D) Social networking

Answer: C

Page Ref: 245

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

81) According to the U.S. Census bureau, merchant companies are companies that _____.

- A) arrange for the sale of goods without owning them
- B) outsource their sales process
- C) own the goods they sell
- D) outsource a majority of their business processes

Answer: C

Page Ref: 245

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

- 82) According to the U.S. Census bureau, nonmerchant companies are companies that _____.
A) outsource their sales process
B) own the goods they sell
C) manufacture the goods they sell
D) arrange for the sale of goods without owning them

Answer: D

Page Ref: 245-246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

- 83) Freepages.com is a Web site that offers advertising space to companies. This Web site is an example of a _____ e-commerce concern.

- A) B2B
- B) B2C
- C) C2C
- D) B2G

Answer: A

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

- 84) Web storefronts, such as Amazon.com and LLBean.com, are information systems that support the sales process of _____ companies.

- A) B2G
- B) B2B
- C) B2C
- D) C2B

Answer: C

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

85) Clearinghouses _____.

- A) compare goods or services and take title to the goods that they sell
- B) provide information about e-commerce Web sites that support B2B sales
- C) provide goods and services at a stated price and arrange for the delivery of the goods
- D) facilitate the auction of goods and services and deliver products to the highest bidders

Answer: C

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

86) Which of the following is a key difference between auctions and clearinghouses?

- A) Auctions are used for low-value products whereas clearinghouses are used for high-value products.
- B) Clearinghouses take title to the goods they sell whereas auctions do not.
- C) Clearinghouses facilitate B2B sales whereas auctions facilitate B2B and B2C sales.
- D) Auctions support a competitive bidding process whereas clearinghouses sell at a stated price.

Answer: D

Page Ref: 246

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

87) An electronic exchange _____.

- A) supports competitive bidding
- B) takes title to the goods it sells
- C) generates revenue only through advertising
- D) matches buyers and sellers

Answer: D

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

88) E-commerce leads to _____, which is the elimination of middle layers of distributors and suppliers.

- A) forward integration
- B) reintermediation
- C) backward integration
- D) disintermediation

Answer: D

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

89) Which of the following is true about e-commerce?

- A) E-commerce results in an increase in inventory-carrying costs.
- B) E-commerce facilitates better measurement of price elasticity.
- C) E-commerce decreases market efficiency.
- D) E-commerce reduces the flow of price data.

Answer: B

Page Ref: 246-247

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the functions of customer relationship management (CRM) systems

90) Price elasticity measures the _____.

- A) price level at which a product or service covers its variable costs
- B) amount that demand rises or falls with changes in price
- C) impact of changes in the cost of production on the overall price of a commodity
- D) price level at which a product or service covers its fixed costs

Answer: B

Page Ref: 247

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

91) What is a sale? What are the key activities in sales?

Answer: The business definition of a sale is an exchange of goods or services for money. More precisely, a sale is revenue from delivery of merchandise or a service where payment may be made in cash or other compensation. The sales process is an operational process with three main activities—sell, ship, and payment.

Page Ref: 230

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

92) Discuss the importance of sales for a business.

Answer: For a business, sales is the most important process. Without sales, no one gets paid. Although sales is a complex and difficult process, it is also governed by a simple overriding principle: Satisfy the customer. The more a company knows about its customers and their needs, the better the chance it has to sell to them in the future.

Page Ref: 231

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

93) Explain how a sales order was created at CBI before the implementation of SAP.

Answer: Prior to the implementation of SAP at CBI, the first activity in its sales process was Pre-Sales Actions. In this activity, the sales reps contacted customers, gave price quotes, verified the availability of products, checked on special terms, and confirmed delivery options. If the customer decided to order, then a sales order was created.

Page Ref: 232

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

94) Briefly describe the problems that CBI's salespeople were facing before the implementation of SAP.

Answer: At CBI, the inventory data visible to salespeople in the warehouse database used to lag by one day. The updated inventory data was sent to the salespeople overnight so that when CBI opened in the morning the salespeople knew which bikes were available in inventory. At times, this led to the sale of bicycles which were no longer in inventory. Although the bicycles were in the inventory at the warehouse at the beginning of the day, those bicycles had already been sold. As a result, salespeople promised bikes and delivery dates to customers that could not be met. Input errors also used to occur.

Page Ref: 233

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

95) Briefly describe the problems that the warehouse manager was facing at CBI before the implementation of SAP.

Answer: When a sale was made to a new customer, the warehouse used to pick and pack the order before receiving final permission to ship. The New Customer Order process was set up this way to reduce the time from order to delivery. Because of this process, when new customers were disapproved by accounting, the warehouse manager and his crew had to unpack and return the products to their shelves and update the inventory data in the warehouse database. A second issue was that the warehouse manager did not have any way to communicate with salespeople about upcoming supply disruptions.

Page Ref: 233-234

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

96) Briefly describe the problems that the accountants at CBI were facing before the implementation of SAP.

Answer: At CBI, the accounting department occasionally received payments from customers with incorrect or missing invoices. At times, the staff also credited the wrong account or made other update errors. These infrequent errors sometimes took hours to sort out and often damaged customer relations.

Delays also used to occur in checking the credit of new customers. This step had created a number of unwarranted shipment delays when credit checks took a long time to complete or when ambiguous credit scores were found.

Page Ref: 234

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

97) What changes did CBI make to its strategy to implement the new SAP system?

Answer: To implement SAP successfully, the top management reexamined CBI's strategy and committed to a competitive strategy that focused on a particular industry segment—high-end bikes—and a differentiation on responsiveness to retailers. CBI then selected the SAP sales process most appropriate for this strategy.

Page Ref: 234

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supporting business processes

98) What objectives did CBI's sales managers choose for the successful implementation of SAP?

Answer: Sales managers decided on one efficiency objective and two effectiveness objectives. The efficiency objective—fewer cancelled sales—was measured by the percentage of sales that were cancelled. A cancelled sale was one that was made but subsequently disapproved.

The first effectiveness objective—faster customer response—was measured by the time from sales order agreement to the arrival of ordered products. A second measure was the percentage of sales of first-year products. A second effectiveness objective was to reduce lost revenue from cancelled sales to their best customers. CBI wanted to be able to cancel lower revenue sales when they conflicted with higher revenue sales.

Page Ref: 234-235

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supporting business processes

99) Explain the changes made to the sales process at CBI after the implementation of SAP.

Answer: The new sales process features the same three actors as the previous sales process—accountant, warehouse manager, and sales agent. However the three computer actors are reduced to the single SAP system that tracks all the sales data. The Pre-Sales Actions activity is the same with one exception. The inventory and price data are now current.

The Sales Order screen has a window called Create Standard Order. In this section, the sales agent enters customer number, the date of the transaction, and the transaction number. The PO Number is determined by the customer's numbering system. The PO date for the customer is the sales date for CBI- the date sale was made.

Once the sales agent saves the SO, SAP creates an SO number and updates the inventory table in the database. In addition to updating data, several other actions are triggered. First, a message is sent to the accounting department requesting credit approval and a decision to approve or disapprove the sale. A second action updates the assembly schedule for CBI.

Page Ref: 235-236

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

100) How are bills generated at CBI after the implementation of SAP?

Answer: After the warehouse has posted the goods issue and the bicycles have changed ownership, the accounting department receives a message that they can bill the customer. The accountant logs into SAP and navigates to the Billing Due List screen. The customer's number is entered in the Sold-To Party field and the DisplayBillList icon near the top of the screen is selected. On the following screen, the accountant adds the sales order and clicks the Save icon. This action triggers SAP to send a message to the customer. The message is the bill, which is also called an invoice.

Page Ref: 238

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

101) Describe the benefits of SAP for CBI's sales process.

Answer: Several general benefits of the new SAP system at CBI are immediately evident. Sales reps have access to the most current data in the one SAP database. The New Customer Approval activity is quicker, and, as a result, the warehouse no longer packs new customer orders before approval. Data on significant supply chain disruptions is made available to all in the organization.

With more accurate and up-to-date pricing and inventory data, there are fewer cancelled sales than before. CBI has increased responsiveness to customers, and now there are fewer cancelled sales to its best customers.

Page Ref: 239

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

102) Describe CRM processes and SCM processes.

Answer: Integrating the customer-facing processes and managing all the interactions with customers is called customer relationship management (CRM). The relationship of the sales process to other customer-facing processes and CRM is the same as the procurement process, other supply chain processes, and supply chain management (SCM). Like integration of processes across the supply chain, the integration of customer-facing processes is improved by sharing data and increasing process synergy. Sales and promotion are CRM processes.

Procurement and demand management are SCM processes.

Page Ref: 240

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

103) Briefly explain the benefit of sharing data such as receipts with customers using electronic media.

Answer: It is easier for you to return your merchandise if you have a receipt. If this receipt was e-mailed to you, it may be easier to find than a printed receipt. By using electronic receipts, your retailer's sales process has made your returns process easier. Rather than issue paper receipts, which are more costly and more frequently lost, many retailers are sharing receipt data with customers electronically by sending an e-mail or a message to a customer's smartphone. Not only does this reduce sales costs, an objective of the retailer's sales process, it also improves the customer's returns process, because customers can find their receipts more frequently.

Page Ref: 240

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

104) What is process synergy?

Answer: Process synergy occurs when processes are mutually supportive. When one process does well, the objectives of other process are also supported. Process synergy improves process in an organization.

Page Ref: 241

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

105) Briefly describe the concept of social CRM.

Answer: Social CRM is an information system that helps a company collect customer data from social media and share it among its customer-facing processes. Social CRM data is collected through interactions on Facebook, Twitter, wikis, blogs, discussion lists, frequently asked questions, sites for user reviews, and other social media. Social CRM systems collect and distribute this data to a variety of customer processes.

Page Ref: 242-243

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

106) Describe the benefits that Salesforce.com offers businesses.

Answer: Salesforce.com is the preeminent cloud-based CRM vendor. Rather than purchasing CRM software and installing it on site, companies utilize a pay-as-you-go plan to use the online software and run it off site at Salesforce.com. This payment arrangement is also called software as a service. With over 80,000 customer firms, Salesforce.com is growing rapidly, particularly with small to medium-sized firms.

Salesforce.com helps a company integrate its customer processes in several ways. First, by keeping data in the cloud with Salesforce.com, a small company's data is stored in a format that is compatible with a wide variety of software. Because of the universal format, it is easier for the company to share this data among its various customer processes. Second, the software is scalable. A company can conduct a small-scale trial of the CRM software at one office to test the integration of its customer processes at one location before rolling it out to the whole company. Finally, start-up costs are zero when using Salesforce.com

Page Ref: 243

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe the functions of customer relationship management (CRM) systems

107) Describe B2B, B2C, and B2G e-commerce companies.

Answer: The three main types of merchant companies are those that sell directly to consumers, those that sell to companies, and those that sell to government. Each uses slightly different IS in the course of doing business. B2C e-commerce concerns sales between a supplier and a retail customer (the consumer). IS that support the Sales process of B2C companies are typically Web storefronts that customers use to enter and manage their orders. Amazon.com, REI.com, and LLBean.com are examples of companies that use Web storefronts.

B2B e-commerce refers to sales between companies. Raw materials suppliers and other firms use interorganizational information systems like ERP systems to integrate B2B supply chains. B2G, or business-to-government merchants, sell to governmental organizations.

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

108) Differentiate between auctions and clearinghouses.

Answer: Auctions match buyers and sellers by using an IS version of a standard auction. This application enables the auction company to offer goods for sale and to support a competitive-bidding process. The best-known auction company is eBay, but many other auction companies exist.

Clearinghouses provide goods and services at a stated price and arrange for the delivery of the goods, but they never take title. One division of Amazon.com, for example, operates as a nonmerchant clearinghouse, allowing individuals and used bookstores to sell used books on the Amazon.com Web site.

Page Ref: 246

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe the effects of e-commerce on the modern business world

Processes, Systems, and Information (Kroenke/McKinney)

Chapter 9 Collaboration Processes and Information Systems

1) A cooperative team is a team in which each member works independently to accomplish his or her portion of the work.

Answer: TRUE

Page Ref: 274

Difficulty: Easy

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

2) The work product of a cooperative team is much better than that of a single individual working alone.

Answer: FALSE

Page Ref: 274

Difficulty: Easy

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

3) Members of a collaborative team work without reviewing or criticizing each other's work.

Answer: FALSE

Page Ref: 274

Difficulty: Easy

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

4) The ability to give and receive critical feedback is a critical collaboration skill.

Answer: TRUE

Page Ref: 275

Difficulty: Easy

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

5) Making decisions, solving problems, and managing projects are the primary purposes of collaborative teams.

Answer: TRUE

Page Ref: 277

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

6) Managerial decisions are decisions that support processes concerning day-to-day activities.

Answer: FALSE

Page Ref: 277

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

7) A supervisor decides to pay a set of invoices on a particular date. This is an example of a managerial decision.

Answer: FALSE

Page Ref: 277

Difficulty: Moderate

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

8) Managerial processes and decisions are concerned with the allocation and utilization of resources.

Answer: TRUE

Page Ref: 278

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

9) Most strategic decisions do not require collaboration.

Answer: FALSE

Page Ref: 278

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

10) Strategic decisions are decisions that support processes concerning broad-scope, organizational issues.

Answer: TRUE

Page Ref: 278

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

11) Few operational decisions require collaboration.

Answer: TRUE

Page Ref: 278

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

12) Collaborative decision making occurs when the final decision is made without iterations.

Answer: FALSE

Page Ref: 278

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

13) A problem is a perceived difference between what is and what ought to be.

Answer: TRUE

Page Ref: 280

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

14) The fundamental purpose of the starting activity in project management is to undertake project documentation.

Answer: FALSE

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

15) Equipment, personnel, and budgets are allocated to project managers during the starting activity of project management.

Answer: FALSE

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

16) The project schedule is determined during the planning activity of project management.

Answer: TRUE

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

17) Rescheduling activities in the project schedule is a sub-activity of the doing activity of project management.

Answer: TRUE

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

18) A key management challenge during the doing activity of project management is to ensure that activities are accomplished on time.

Answer: TRUE

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

19) Synchronous communication occurs when team members communicate without meeting at the same time using technology.

Answer: FALSE

Page Ref: 283

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

20) Two employees who work in different shifts communicate through e-mails. This is an example of synchronous communication.

Answer: FALSE

Page Ref: 283

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

21) Virtual meetings are meetings in which participants do not meet in the same place.

Answer: TRUE

Page Ref: 284

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

22) Communicating through a conference call is an example of asynchronous communication.

Answer: FALSE

Page Ref: 284

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

23) Multiparty text chat is a tool used for synchronous communication.

Answer: TRUE

Page Ref: 284

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

24) E-mail facilitates synchronous communication in workplaces.

Answer: FALSE

Page Ref: 284

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

25) Team members will be obligated to participate if a discussion forum is used for communication.

Answer: FALSE

Page Ref: 285

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

26) Discussion forums and surveys provide documentation of members' views and opinions.

Answer: TRUE

Page Ref: 285

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

27) Storing documents on a server provides a higher degree of control than sharing content through e-mails.

Answer: TRUE

Page Ref: 285

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

28) A wiki is a shared knowledge base in which the content is contributed and managed by the wiki's users.

Answer: TRUE

Page Ref: 286

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

29) Google Docs is a collaboration application for sharing documents, presentations, spreadsheets, drawings, and other data.

Answer: TRUE

Page Ref: 286

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

30) A Gmail account is essential to edit a document stored in Google Docs.

Answer: FALSE

Page Ref: 286

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

31) Microsoft SkyDrive is an application that provides version control.

Answer: FALSE

Page Ref: 287-288

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

32) Version-management systems limit the actions that can be taken by any particular user.

Answer: FALSE

Page Ref: 288

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

33) With version-control systems, each team member is given an account with a set of permissions.

Answer: TRUE

Page Ref: 288

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

34) Users have explicit control over checking documents in version-management systems such as Microsoft SkyDrive.

Answer: FALSE

Page Ref: 289

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

35) Microsoft SharePoint is a version-control application.

Answer: TRUE

Page Ref: 290

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

36) Microsoft SharePoint is a comprehensive platform for creating, operating, and administrating Web sites.

Answer: TRUE

Page Ref: 291

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

37) A SharePoint site is a collection of resources that is accessed using HTTP, HTML, and related protocols.

Answer: TRUE

Page Ref: 291

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

38) Office 365 is a program that includes e-mail and SharePoint.

Answer: TRUE

Page Ref: 291

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

39) The resources of a SharePoint site cannot be used for general-purpose Web sites.

Answer: FALSE

Page Ref: 291

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

40) SharePoint is fundamentally a list manager.

Answer: TRUE

Page Ref: 292

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

41) SharePoint does not have an option for sending e-mail alerts when changes are made to documents.

Answer: FALSE

Page Ref: 293

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

42) Users can create wiki libraries using SharePoint.

Answer: TRUE

Page Ref: 293

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

43) Document libraries serve as a repository for team documents.

Answer: TRUE

Page Ref: 295

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

44) Managers use the survey feature in SharePoint to verify workers' understanding of project goals and other topics.

Answer: TRUE

Page Ref: 295

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

45) The document library feature in SharePoint is used to publish opinions and get feedback on them.

Answer: FALSE

Page Ref: 295

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

46) Discussion forums are not effective if there is more than one discussion topic.

Answer: FALSE

Page Ref: 295

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

47) Workflow control is the act of listing documents in the SharePoint library.

Answer: FALSE

Page Ref: 296

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork

48) A workflow is a sequence of activities that is managed and logged by SharePoint.

Answer: TRUE

Page Ref: 296

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork

49) In a sequential workflow, review activities occur simultaneously.

Answer: FALSE

Page Ref: 296

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork

50) Jennifer reviews Albert's documents only after he is done reviewing them himself. This is an example of parallel workflow.

Answer: FALSE

Page Ref: 296

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork

51) Which of the following is a key difference between collaborative teams and cooperative teams?

A) Cooperative teams work to accomplish a specific task whereas collaborative teams need not have a collective purpose.

B) People work together in collaborative teams whereas each member works independently in cooperative teams.

C) Collaborative teams reduce the amount of time required to finish a task whereas cooperative teams require more time.

D) A cooperative team has less than five members while a collaborative team often has more than five.

Answer: B

Page Ref: 274

Difficulty: Moderate

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

52) Collaboration occurs when a group of people _____.

A) function independently to accomplish a particular task

B) work together using feedback and iteration

C) combine their work to create an output that appears as a whole

D) work without critically analyzing each other's work

Answer: B

Page Ref: 274

Difficulty: Easy

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

53) Which of the following is the most important collaborative skill?

- A) gregarious and dynamic personality
- B) experience as a businessperson
- C) persuasive presentation skills
- D) ability to give and receive critical feedback

Answer: D

Page Ref: 275

Difficulty: Easy

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

54) _____ decisions are decisions that support processes concerning day-to-day activities.

- A) Operational
- B) Strategic
- C) Corporate
- D) Managerial

Answer: A

Page Ref: 277

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

55) A warehouse manager issues a purchase order when inventory levels fall below reorder levels. This is an example of a(n) _____ decision.

- A) managerial
- B) strategic
- C) corporate
- D) operational

Answer: D

Page Ref: 277

Difficulty: Moderate

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

56) A floor supervisor is making a(n) _____ decision when she allocates tasks to workers.

- A) operational
- B) broad-scope
- C) corporate
- D) strategic

Answer: A

Page Ref: 277

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

57) Which of the following is the focus of managerial decisions?

- A) day-to-day activities
- B) allocation of resources
- C) strategic problems
- D) long-term decisions

Answer: B

Page Ref: 278

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

58) _____ decisions are concerned with broad-scope, organizational issues.

- A) Operational
- B) Managerial
- C) Strategic
- D) Automated

Answer: C

Page Ref: 278

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

59) The directors of a company meet to discuss a possible merger with one of the company's competitors. Here, the directors have to make a(n) _____ decision.

- A) operational
- B) strategic
- C) procedural
- D) managerial

Answer: B

Page Ref: 278

Difficulty: Moderate

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

60) Which of the following decisions is least likely to require collaboration?

- A) Should our company establish a joint venture with company A?
- B) How many units should we order from vendor B?
- C) What products should we market in Country B?
- D) Should we set up a manufacturing base in country A?

Answer: B

Page Ref: 278

Difficulty: Moderate

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

61) Which of the following statements is true about the relationship between the level of decision making and the need for collaboration?

- A) Broad-scope organizational issues do not require collaboration whereas day-to-day activities do.
- B) Operational decisions need to be more collaborative than strategic and managerial decisions.
- C) Unlike operational decisions, most strategic decisions require collaboration.
- D) Managerial decisions need to be more collaborative than broad-scope decisions.

Answer: C

Page Ref: 278

Difficulty: Moderate

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

62) Which of the following is the first activity in the decision-making collaboration process?

- A) establishing team rules
- B) gathering data
- C) formulating recommendations
- D) analyzing data

Answer: A

Page Ref: 278

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

63) A _____ is a perceived difference between what is and what ought to be.

- A) threat
- B) liability
- C) problem
- D) weakness

Answer: C

Page Ref: 280

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

64) In the project management process, deciding the project scope and budget to form a team is a sub-activity of the _____ activity.

- A) starting
- B) planning
- C) doing
- D) wrapping up

Answer: A

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

65) Which of the following is needed to perform the starting activity of project management?

- A) updated project schedule
- B) team member data
- C) archival documents
- D) updated project budget

Answer: B

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

66) In the project management process, determining the initial project schedule is a sub-activity of the _____ activity.

- A) starting
- B) planning
- C) doing
- D) wrapping up

Answer: B

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

67) Which of the following is needed to perform the planning activity of project management?

- A) team rules
- B) archival documents
- C) budget
- D) updated project schedule

Answer: C

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

68) The major tasks of a project are accomplished during the _____ activity of project management.

- A) planning
- B) starting
- C) doing
- D) wrapping up

Answer: C

Page Ref: 282

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

69) Documentation of project results is performed during the _____ activity of project management.

- A) planning
- B) starting
- C) doing
- D) wrapping up

Answer: D

Page Ref: 283

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

70) Synchronous communication occurs when all team members _____.

- A) work from different locations
- B) speak the same language
- C) meet at the same time
- D) work in different shifts

Answer: C

Page Ref: 283

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

71) Which of the following is a tool used for synchronous communication?

- A) discussion forums
- B) webinars
- C) e-mail
- D) team surveys

Answer: B

Page Ref: 284

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

72) Which of the following is a tool used for asynchronous communication?

- A) discussion forums
- B) webinars
- C) conference calls
- D) multiparty text chat

Answer: A

Page Ref: 284

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

73) Altruon Inc., a manufacturing company, has production facilities in three different geographical locations. Production managers in each of these facilities use conference calls to communicate with each other. This is an example of _____ communication.

- A) asynchronous
- B) implied
- C) indirect
- D) synchronous

Answer: D

Page Ref: 284

Difficulty: Easy

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

74) Which of the following is an example of asynchronous communication?

- A) Two managers communicate using a webinar application.
- B) Charles sends an e-mail to his subordinate.
- C) Fred calls up a supplier to inquire about an order.
- D) Virtual teams communicate through videoconferencing.

Answer: B

Page Ref: 284

Difficulty: Moderate

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

75) Discussion forums are better than e-mail because _____.

- A) they evoke immediate responses from members
- B) they keep the discussion on track
- C) they facilitate synchronous communication
- D) they compel all members to participate in the discussion

Answer: B

Page Ref: 285

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

76) Which of the following alternatives for sharing content provides the lowest degree of control?

- A) storing files on Microsoft SkyDrive
- B) using Wikis to share files
- C) sharing files using Google Docs
- D) exchanging files directly through e-mails

Answer: D

Page Ref: 285

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

77) Which of the following is a major disadvantage of sharing documents on a server using FTP?

- A) It creates incompatible versions of documents.
- B) It does not provide teams with a single storage location.
- C) It gives team members access to confidential information.
- D) It allows team members to interfere with one another's work.

Answer: D

Page Ref: 285

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

78) Which of the following is a system that provides version management?

- A) content shared using Microsoft Word
- B) content shared through an e-mail attachment
- C) content stored on a server using FTP
- D) content shared using Microsoft SkyDrive

Answer: D

Page Ref: 286

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

79) A _____ is a shared knowledge base in which the content is contributed and managed by its users.

- A) social media page
- B) Web site
- C) wiki
- D) data mining system

Answer: C

Page Ref: 286

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

80) Which of the following is true about using Google Docs?

- A) Documents are stored on the user's server.
- B) Documents can be accessed and viewed only one user at a time.
- C) Anyone who edits a document must have a Google account.
- D) Microsoft Word or Excel documents cannot be stored on Google Docs.

Answer: C

Page Ref: 286-287

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

81) Which of the following is true about Microsoft SkyDrive?

- A) It provides the ability to store and share MS Office documents.
- B) It provides users with explicit control over checking documents.
- C) It provides version control.
- D) It provides the ability to limit the actions of particular users.

Answer: A

Page Ref: 287

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how information systems can be used to assist in decision making

82) With version control, shared documents are placed into shared directories called _____.

- A) libraries
- B) forms
- C) folders
- D) accounts

Answer: A

Page Ref: 288

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

83) With version-control systems, each team member _____.

- A) is given a shared server with unrestricted access
- B) is given their own private directory to share files
- C) is given an account with a set of permissions
- D) is notified every time a file is viewed

Answer: C

Page Ref: 288

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

84) Which of the following is an application that provides version control?

- A) Microsoft SharePoint
- B) Google Docs
- C) wikis
- D) Microsoft SkyDrive

Answer: A

Page Ref: 290

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

85) _____ is a comprehensive platform for creating, operating, and administering Web sites.

- A) Microsoft SkyDrive
- B) Microsoft SharePoint
- C) Google Docs
- D) Quick Launch

Answer: B

Page Ref: 291

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

86) _____ is a program from Microsoft which includes Lync, Exchange (e-mail), and SharePoint.

- A) Office 365
- B) Microsoft SkyDrive
- C) Microsoft Access
- D) Windows Live

Answer: A

Page Ref: 291

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

87) A SharePoint site is a collection of resources that are _____.

- A) created and managed via Microsoft SkyDrive
- B) accessed without using network protocols
- C) created and managed via file transfer protocols
- D) accessed using HTTP, HTML, and related protocols

Answer: D

Page Ref: 291

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

88) On Microsoft SharePoint, which of the following options provides you with e-mail notifications every time someone changes a document?

- A) Quick Launch
- B) Reminder
- C) List option
- D) Alert Me

Answer: D

Page Ref: 293

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

89) _____ serve as a repository for team documents.

- A) Document libraries
- B) Project blogs
- C) Workflow templates
- D) Discussion forums

Answer: A

Page Ref: 295

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

90) Which of the following SharePoint tools is used to verify team members' understanding of project goals and other topics?

- A) document libraries
- B) lists
- C) blogs
- D) surveys

Answer: D

Page Ref: 295

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

91) Which of the following SharePoint features is used to publish opinions and obtain feedback on them?

- A) document libraries
- B) lists
- C) blogs
- D) surveys

Answer: C

Page Ref: 295

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

92) _____ is the process of ensuring that business processes are properly executed.

- A) Transactional processing
- B) Work cooperation
- C) Analytical processing
- D) Workflow control

Answer: D

Page Ref: 296

Difficulty: Easy

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork

93) A(n) _____ is a sequence of activities that is managed and logged by SharePoint.

- A) system log
- B) event list
- C) file server
- D) workflow

Answer: D

Page Ref: 296

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork

94) A manager wants a document to be first edited by an employee and then reviewed by another employee. This is an example of _____ workflow.

- A) concurrent
- B) parallel
- C) sequential
- D) synchronized

Answer: C

Page Ref: 296

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork

95) In a _____ workflow, document reviews occur simultaneously.

- A) parallel
- B) sequential
- C) serial
- D) chronological

Answer: A

Page Ref: 296

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork

96) How will SharePoint respond if a user does not perform a task assigned to him/her?

- A) It will create a new workflow for the task.
- B) I will send reminder e-mails to the user.
- C) It will delete the task.
- D) It will delete the workflow for the task.

Answer: B

Page Ref: 301

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork

97) What is a cooperative team? Provide an example.

Answer: A cooperative team is a group that works together to accomplish something, but each person works independently to accomplish his or her portion of the work. A team of painters working on a building is a cooperative team. Each is given a portion of the building to paint and works on his or her own.

Page Ref: 274

Difficulty: Easy

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

98) Explain the concept of collaborative teams.

Answer: A collaborative team is a group that works together using feedback and iteration. With a collaborative team, one person produces something, others review it, and the originator or others make revisions. The work proceeds in a sequence of steps or iterations of feedback and rework.

With collaborative teams, members learn from each other, and, as a result, the team can often produce a result that is better in quality than any team member could have produced on his or her own, in any amount of time.

Page Ref: 274

Difficulty: Moderate

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

99) Explain the importance of critical feedback in collaboration.

Answer: The power of collaboration arises from feedback. Collaborative workers should have the ability to give and receive feedback and, in particular, the ability to give and receive critical feedback. Critical feedback is essential for improving work product and team knowledge.

Page Ref: 275

Difficulty: Easy

Chapter LO: 1

Course LO: Explain how IS can enhance systems of collaboration and teamwork

100) List the three primary purposes for which businesses use collaborative teams.

Answer: Businesses use collaborative teams for three primary purposes:

- Making decisions
- Solving problems
- Managing projects

Page Ref: 277

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

101) What are operational decisions? Provide an example.

Answer: Operational decisions are decisions that support operational processes concerning day-to-day activities. Examples of operational decisions include the following: (1) How many widgets should we order from vendor A? (2) Should we extend credit to vendor B? (3) Which invoices should we pay today?

Page Ref: 277

Difficulty: Moderate

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

102) Compare and contrast managerial decisions with strategic decisions.

Answer: Managerial processes concern the allocation and utilization of resources. The following are examples of managerial decisions: (1) How much should we budget for computer hardware and programs for department A next year? (2) How many engineers should we assign to project B?

Strategic decisions are decisions that support strategic processes concerning broad-scope, organizational issues. Typical decisions at the strategic level are: (1) Should we start a new product line? (2) Should we open a centralized warehouse in Tennessee? (3) Should we acquire company A?

Page Ref: 278

Difficulty: Moderate

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

103) How does the need for collaboration vary with the types of decisions?

Answer: Few operational decisions require collaboration. In fact, involving collaboration in routine, structured decisions is expensive, wasteful, and frustrating. In general, if a managerial decision requires consideration of different perspectives, then it will benefit from collaboration. As such, many managerial decisions do require collaboration. Strategic decisions are almost always collaborative. Further, when deciding whether a decision will benefit from collaboration, the key factor is whether feedback and iteration are required.

Page Ref: 278

Difficulty: Moderate

Chapter LO: 2

Course LO: Explain how information systems can be used to assist in decision making

104) What is a problem?

Answer: A problem is a perceived difference between what is and what ought to be. As a perception, it is a view held by an individual or a group. Because it is a perception, different users and groups can have different definitions of a problem.

Page Ref: 280

Difficulty: Easy

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

105) Briefly describe the four basic activities of a project's lifetime.

Answer:

(1) Starting activity: The fundamental purpose of the starting activity is to set the ground rules for the project and the team.

(2) Planning activity: The purpose of the planning activity is to determine "who will do what and by when." Work activities are defined, and resources like personnel, budget, and equipment are assigned to them.

(3) Doing activity: Tasks are accomplished during the doing activity. The key management challenge here is to ensure that activities are accomplished on time and, if not, to identify schedule problems as early as possible.

(4) Wrapping-up activity: The team needs to document its results, document information for future teams, close down the project, and disband the team during this activity.

Page Ref: 282-283

Difficulty: Moderate

Chapter LO: 2

Course LO: Explain how IS can enhance systems of collaboration and teamwork

106) What is the difference between synchronous communication and asynchronous communication?

Answer: Synchronous communication occurs when all team members meet at the same time, such as with conference calls or face-to-face meetings. Asynchronous communication occurs when team members do not meet at the same time. Employees who work different shifts at the same location or team members who work in different time zones around the world typically meet asynchronously.

Page Ref: 283

Difficulty: Moderate

AACSB: Communication abilities

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

107) What are some of the tools that facilitate synchronous communication?

Answer: Conference calls, webinars, videoconferencing, and multiparty text chat can be used to facilitate synchronous communication.

Page Ref: 284

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Explain how IS can enhance systems of collaboration and teamwork

108) Describe the problems associated with sharing content using e-mails and shared servers.

Answer: Although e-mail is simple, easy, and readily available, it will not suffice for collaborations in which there are many document versions or for which there is a desire for content control. Incompatible versions of documents will be floating around if e-mail is used to share content.

Storing documents on servers is better than using e-mail attachments because documents have a single storage location. However, without any additional control it is possible for team members to interfere with one another's work.

Page Ref: 285

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

109) What is version management? Name three applications that provide version management.

Answer: Systems that provide version management track changes to documents and provide features and functions to accommodate concurrent work. Wikis, Google Docs, and Microsoft SkyDrive are applications that provide version management.

Page Ref: 286

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

110) What are Office Web Apps?

Answer: Web application versions of Word, Excel, PowerPoint, and OneNote are called Office Web Apps. These applications run in the browser and are quite easy to use. These programs have less functionality than desktop Office programs, but they are free and readily accessed on the Web.

Page Ref: 287

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

111) Compare version-management systems with version-control systems.

Answer: Version-management systems improve the tracking of shared content and potentially eliminate problems caused by concurrent document access. They do not, however, provide version control. They do not limit the actions that can be taken by any particular user, and they do not give control over the changes to documents to particular users.

With version-control systems, each team member is given an account with a set of permissions. Shared documents are placed into shared directories called libraries.

Page Ref: 288

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Explain how IS can enhance systems of collaboration and teamwork

112) What is Microsoft SharePoint?

Answer: Microsoft SharePoint is a comprehensive platform for creating, operating, and administrating Web sites. It is most widely known as a platform for creating and managing collaboration sites.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

113) What is a SharePoint site?

Answer: A SharePoint site is a collection of resources that are created and managed via SharePoint and accessed using HTTP, HTML, and related protocols. A SharePoint site can contain one or more subsites, which are fully featured SharePoint sites in their own right.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Explain how IS can enhance systems of collaboration and teamwork

114) Explain how document libraries are used in SharePoint.

Answer: Document libraries serve as a repository for team documents. You might have different libraries for different aspects of a project. For example, if your project involves cost assessments, you might have a library that has all the documents concerning costs. Or, you might put all the Word documents in one library, all the Excel documents in a second, and so forth. Document libraries can be set up to require check out and check in as well as to have version histories.

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Difficulty: Moderate

AACSB: Use of information technology

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Course LO: Explain how IS can enhance systems of collaboration and teamwork

115) What is workflow control? Explain how it is performed in SharePoint.

Answer: Workflow control is the process of ensuring that business processes are properly executed. It is normally used in conjunction with processes that involve collaborative teamwork. SharePoint provides automated support for workflow control via a set of features called workflows. A workflow is a sequence of activities that is managed and logged by SharePoint.

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Difficulty: Easy

AACSB: Use of information technology

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Course LO: Explain how IS can enhance systems of collaboration and teamwork

116) What is difference between a sequential workflow and a parallel workflow?

Answer: Review activities occur in sequence in a sequential workflow. In a parallel workflow, the reviews would occur simultaneously.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Explain how IS can enhance systems of collaboration and teamwork