

1) One way to gain competitive advantage using information systems is through business process.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 226

Topic: Q1

Skill: RECALL

2) It is illegal to use a shared supply chain management system to infer what your competitor's inventory levels are.

- a. True
- b. False

Answer: b

Diff: 3

Type: TF

Page Reference: 226

Topic: Q1

Skill: APPLIED

3) Using MIS, one way to gain competitive advantage is to enhance the product or service by applying technological change.

- a. True
- b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 226

Topic: Q1

Skill: RECALL

4) Functional silos are designed to work independently of one another.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 227

Topic: Q2

Skill: RECALL

5) Cross-functional systems facilitate work of a single department or business function.

a. True

b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 228

Topic: Q2

Skill: RECALL

6) Supplier relationship management is a business process for managing all contacts between the organization and its supplies.

a. True

b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 240

Topic: Q8

Skill: RECALL

7) In the last 10 years, all companies have entirely switched from functional systems to fully integrated or cross-functional systems.

a. True

b. False

Answer: b

Diff: 3

Type: TF

Page Reference: 231

Topic: Q2

Skill: RECALL

8) With functional silos, management must query separate functional systems and integrate the data manually.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 228

Topic: Q2

Skill: RECALL

9) With functional systems, one of the biggest problems is duplicated data.

- a. True
- b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 229

Topic: Q2

Skill: RECALL

10) Functional systems often lead to disjointed processes and increased expenses.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 229

Topic: Q2

Skill: RECALL

11) Independent, isolated systems are good for making businesses more efficient today.

- a. True

b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 229

Topic: Q2

Skill: RECALL

12) ERP systems integrate sales, orders, inventory, manufacturing, customer service, human resources, and accounting.

a. True

b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 235

Topic: Q6

Skill: RECALL

13) Order entry is usually found in the accounting functional systems.

a. True

b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 229

Topic: Q2

Skill: RECALL

14) A general ledger application would be an example of a process-based system.

a. True

b. False

Answer: b

Diff: 3

Type: TF

Page Reference: 229

Topic: Q2

Skill: RECALL

15) Most organizations today have a mixture of functional and integrated systems.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 228

Topic: Q2

Skill: RECALL

16) Customer Relationship Management (CRM) is an example of a cross-functional system.

- a. True
- b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 237

Topic: Q7

Skill: RECALL

17) Enterprise Resource Planning software uses one database to connect the functional areas.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 235

Topic: Q6

Skill: RECALL

18) Enterprise Application Integration uses an interface to access the individual functional databases.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 232

Topic: Q3

Skill: RECALL

19) Customer service is typically part of the marketing and sales function.

- a. True
- b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 229

Topic: Q2

Skill: RECALL

20) The operations function handles order entry and inventory management.

- a. True
- b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 229

Topic: Q2

Skill: RECALL

21) It is not possible to improve business processes without technological change.

- a. True
- b. False

Answer: b

Diff: 1

Type: TF

Page Reference: 230

Topic: Q3

Skill: RECALL

22) EAI leaves the functional systems and databases basically intact.

a. True

b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 231

Topic: Q3

Skill: RECALL

23) Either EAI or ERP can be used to integrate functional systems.

a. True

b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 231

Topic: Q3

Skill: RECALL

24) The user interface for Enterprise Application Integration systems and Enterprise Resource Planning systems look completely different to the end user.

a. True

b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 232

Topic: Q3

Skill: RECALL

25) Business process design is well understood and the outcomes are fairly certain once the changes are begun.

- a. True
- b. False

Answer: b

Diff: 3

Type: TF

Page Reference: 233

Topic: Q4

Skill: APPLIED

26) In a functional system, the data required to answer queries from and about customers is contained within the order management system so links to other systems are not necessary.

- a. True
- b. False

Answer: b

Diff: 3

Type: TF

Page Reference: 230

Topic: Q2

Skill: APPLIED

27) Isolated systems can lead to inefficiency and higher organizational costs.

- a. True
- b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 230

Topic: Q2

Skill: RECALL

28) Porter's concept of the "process chain" is crucial for developing a competitive strategy.

- a. True
- b. False



Answer: b

Diff: 2

Type: TF

Page Reference: 228

Topic: Q2

Skill: RECALL

29) Most employees welcome and embrace changes caused by business process redesign.

a. True

b. False

Answer: b

Diff: 3

Type: TF

Page Reference: 232

Topic: Q4

Skill: APPLIED

30) Grand & Toy has expanded its business model by offering services through the web in the last decade.

a. True

b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 226

Topic: Q1

Skill: RECALL

31) Functional systems in Porter's Value Chain are usually comprised of

a. HR, Accounting, Operations, Sales.

b. Accounting, Payroll, HR, Sales.

c. Operations, Advertising, HR, Sales.

d. Accounting, Advertising, Payroll, Marketing.

e. Primary activities and Support Activities.

Answer: a

Diff: 3

Type: MC

Page Reference: 228

Topic: Q2

Skill: RECALL

32) Originally the \_\_\_\_\_ supported the work of a single department or function.

- a. calculation systems
- b. cross-function systems
- c. departmental systems
- d. inter-organizational systems
- e. functional systems

Answer: e

Diff: 2

Type: MC

Page Reference: 227

Topic: Q2

Skill: RECALL

33) Systems that are designed to support activities across departmental boundaries are called

- a. calculation systems.
- b. functional systems.
- c. cross-departmental systems.
- d. inter-organizational systems.
- e. operating systems.

Answer: c

Diff: 1

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

34) Systems that are used by two or more related companies are referred to as

- a. functional systems.
- b. calculation systems.
- c. inter-organizational systems.
- d. operating systems.
- e. departmental systems.

Answer: c

Diff: 1

Type: MC

Page Reference: 228

Topic: Q2

Skill: RECALL

35) Which of the following are examples of accounting functional systems?

- a. Lead tracking
- b. Inventory management
- c. Sales forecasting
- d. Manufacturing operations
- e. Accounts receivable

Answer: e

Diff: 2

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

36) Which of the following is (are) true statements with functional systems?

- a. Improved data results
- b. Improved data integrity
- c. Better communciations
- d. Increased profitability
- e. Isolated systems

Answer: e

Diff: 2

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

37) Which of the following is a (are) consequence(s) of a disjoint system?

- a. Efficiency
- b. Greater supply of integrated enterprise information
- c. Decreased cost
- d. Cohesive business processes
- e. Lower profits

Answer: e

Diff: 2

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

38) Which of the following is a rationale for business process design?

- a. Existing functional systems are flawed and should be improved.
- b. New and more efficient business processes that integrate the activities of all departments involved in a value chain should be created.
- c. Business processes are inefficient and do not integrate with other departments.
- d. Existing business processes are returning a good ROI and should be kept running like this.
- e. Existing systems do not support the value chain and therefore need to be improved.

Answer: b

Diff: 2

Type: MC

Page Reference: 231

Topic: Q3

Skill: RECALL

39) \_\_\_\_\_ support the business processes of attracting, selling, managing, delivering, and supporting customers.

- a. Enterprise Resource Planning Systems
- b. Value Chain Management Systems
- c. Supplier Relationship Management Systems
- d. Supply Chain Management Systems
- e. Customer Relationship Management Systems

Answer: e

Diff: 2

Type: MC

Page Reference: 237

Topic: Q7

Skill: RECALL

40) \_\_\_\_\_ support all of the primary business processes as well as the human resources and accounting support processes.

- a. Customer Relationship Management Systems
- b. Supply Chain Management Systems
- c. Enterprise Resource Planning Systems
- d. Value Chain Management Systems
- e. Supplier Relationship Management Systems

Answer: c

Diff: 2

Type: MC

Page Reference: 235

Topic: Q6

Skill: RECALL

41) When a company purchases an “Industry Standard Process” from a vendor like SAP, the company often has to

- a. lay off staff to conform to the new standards.
- b. change the way to company operates to conform to the software.
- c. buy more equipment to conform to the software needs.

- d. hire more staff to use the software more efficiently.
- e. wait years for a payback.

Answer: b

Diff: 3

Type: MC

Page Reference: 233

Topic: Q5

Skill: RECALL

42) When a company purchases an “Industry Standard Process” from a vendor like SAP, the company may benefit

- a. by gaining “best practices” it would otherwise have developed on its own.
- b. because employees will conform with the changes rapidly and be more efficient.
- c. because customers will demand lower prices.
- d. hardly ever.
- e. because the company will have a unique application that will generate competitive advantage.

Answer: a

Diff: 3

Type: MC

Page Reference: 233

Topic: Q5

Skill: APPLIED

43) ERP systems handle

- a. mainly HR functions.
- b. mainly sales tracking.
- c. only accounting.
- d. All of the company’s functions.
- e. sales and accounting.

Answer: d

Diff: 3

Type: MC

Page Reference: 235

Topic: Q6

Skill: RECALL

44) The elimination of the middle layer in a supply chain is called

- a. disintermediation.
- b. intermediation.
- c. reintermediation.
- d. normalization.
- e. price elasticity.

Answer: a

Diff: 2

Type: MC

Page Reference: 239

Topic: Q8

Skill: RECALL

45) \_\_\_\_\_ is a business process for managing all contacts between an organization and its suppliers.

- a. SRM
- b. CRM
- c. BRM
- d. KRM
- e. FRM

Answer: a

Diff: 2

Type: MC

Page Reference: 239

Topic: Q8

Skill: RECALL

46) Functional applications are sometimes call

- a. islands of automation.
- b. inefficient systems.

- c. isolated silos.
- d. functional islands.
- e. functional silos.

Answer: e

Diff: 2

Type: MC

Page Reference: 227

Topic: Q2

Skill: RECALL

47) \_\_\_\_\_ are used by non-manufacturers, such as distributors and retailers.

- a. Human resource systems
- b. Manufacturing systems
- c. Accounting systems
- d. Operations systems
- e. Marketing and sales systems

Answer: d

Diff: 3

Type: MC

Page Reference: 227

Topic: Q2

Skill: APPLIED

48) Which of the following is a function of a manufacturing system?

- a. Order entry
- b. Customer service
- c. Scheduling
- d. Order management
- e. Inventory management

Answer: c

Diff: 2

Type: MC

Page Reference: 229



Topic: Q2

Skill: RECALL

49) Which of the following is involved in supply chain management?

- a. SRM
- b. CRM
- c. VRM
- d. CRM and VRM
- e. SRM and CRM

Answer: e

Diff: 2

Type: MC

Page Reference: 240

Topic: Q8

Skill: RECALL

50) Which of the following is not a driver of supply chain management performance?

- a. Information
- b. Transportation
- c. Facilities
- d. Hardware
- e. Inventory

Answer: d

Diff: 2

Type: MC

Page Reference: 240

Topic: Q8

Skill: RECALL

51) ERP uses

- a. integration to manage the 5 different databases in a typical company.
- b. pull-push production planning.
- c. customized programming to adapt to the purchaser's way of doing business.

- d. one centralized database.
- e. undocumented, brand new software.

Answer: d

Diff: 3

Type: MC

Page Reference: 235

Topic: Q5

Skill: RECALL

52) Which of the following contains the elements of the customer life cycle?

- a. Marketing, Customer acquisition, Relationship management, Customer service
- b. Customer acquisition, Loss/churn, Accounts receivable, Customer service
- c. Loss /churn, Relationship management, Marketing, Accounts receivable
- d. Relationship management, Accounts payable, Loss/churn, Marketing
- e. Loss/Churn, Relationship management, Customer acquisition, Marketing

Answer: e

Diff: 2

Type: MC

Page Reference: 237

Topic: Q7

Skill: RECALL

53) The purpose of relationship management applications is to

- a. extend social marketing effectiveness.
- b. reduce accounts receivable.
- c. advertise promotions in a timely way.
- d. get new customers.
- e. maximize the value of the existing customer base.

Answer: e

Diff: 2

Type: MC

Page Reference: 237

Topic: Q7

Skill: RECALL

54) Sales management applications support

- a. the maximization of the value of the customer.
- b. sales to existing customers.
- c. network marketing.
- d. database conversion
- e. prospecting for new customers.

Answer: b

Diff: 2

Type: MC

Page Reference: 238

Topic: Q7

Skill: RECALL

55) Interorganizational systems that enable companies to efficiently handle the flow of goods from suppliers to customer are known as

- a. application software
- b. disintermediating systems
- c. competitive advantages
- d. CRM systems
- e. supply chain management systems

Answer: e

Diff: 2

Type: MC

Page Reference: 239

Topic: Q8

Skill: RECALL

56) The internet and database management systems have allowed manufacturers like Dell to sell directly to consumers. This is called

- a. direct marketing
- b. B2G sales
- c. disintermediation

- d. integrated CRM
- e. eBay

Answer: c

Diff: 2

Type: MC

Page Reference: 239

Topic: Q8

Skill: RECALL

57) The only source of revenue in the supply chain is the

- a. sales department.
- b. cash register.
- c. end consumer.
- d. purchasing department.
- e. manufacturer.

Answer: c

Diff: 3

Type: MC

Page Reference: 240

Topic: Q8

Skill: RECALL

58) Functional applications are sometimes called functional

- a. automation.
- b. silos.
- c. islands.
- d. confusion.
- e. integration.

Answer: b

Diff: 2

Type: MC

Page Reference: 227

Topic: Q2

Skill: RECALL

59) Systems that span functional \_\_\_\_\_ are known as cross-functional systems.

- a. departments
- b. processes
- c. systems
- d. boundaries
- e. functions

Answer: d

Diff: 1

Type: MC

Page Reference: 228

Topic: Q2

Skill: RECALL

60) Inventory management systems are usually found in the \_\_\_\_\_ functional area.

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

Answer: b

Diff: 1

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

61) Payroll is an application that is traditionally run in the functional area of

- a. sales and marketing.
- b. human resources.
- c. manufacturing.
- d. operations.

e. accounting and finance.

Answer: b

Diff: 1

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

62) The general ledger (GL) is an application that is traditionally run in the functional area of

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

Answer: e

Diff: 1

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

63) Order entry is an application that is traditionally run in the functional area of

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

Answer: d

Diff: 1

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

64) \_\_\_\_\_ combines functional systems by using software bridges to connect different functional systems.

- a. EAI
- b. ERP
- c. CRM
- d. SAP R/3
- e. MIS

Answer: a

Diff: 2

Type: MC

Page Reference: 231

Topic: Q3

Skill: RECALL

65) Lead tracking is an application that is traditionally run in the functional area of

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

Answer: b

Diff: 1

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

66) SAP is one of the leading vendors of \_\_\_\_\_ software.

- a. ERP
- b. SCM
- c. CRM
- d. DBMS

e. CASE

Answer: a

Diff: 2

Type: MC

Page Reference: 235

Topic: Q6

Skill: RECALL

67) Software that integrates sales, orders, inventory, manufacturing, customer service, human resources, and accounting is called \_\_\_\_\_

- a. ERP systems.
- b. vapour ware.
- c. DBMS.
- d. CAM.
- e. MPS.

Answer: a

Diff: 2

Type: MC

Page Reference: 235

Topic: Q6

Skill: RECALL

68) One of the problems of functional systems is that data stored for different functional areas may be inconsistent and

- a. incomplete.
- b. redundant.
- c. outdated.
- d. not integrated
- e. disjointed.

Answer: b

Diff: 2

Type: MC

Page Reference: 229



Topic: Q2

Skill: RECALL

69) When functional systems are isolated, business processes are

- a. redundant.
- b. disjointed.
- c. incomplete.
- d. not integrated.
- e. outdated.

Answer: b

Diff: 2

Type: MC

Page Reference: 229

Topic: Q2

Skill: RECALL

70) If the order entry system defines part numbers using a 6-digit code and the inventory system defines part numbers using an 8 digit code, the data must be \_\_\_\_\_ in order for the two systems to share data.

- a. recombined
- b. imported
- c. re-structured
- d. updated
- e. converted

Answer: e

Diff: 3

Type: MC

Page Reference: 230

Topic: Q2

Skill: RECALL

71) Oracle, Microsoft, and SAP are all examples of \_\_\_\_\_ software vendors.

- a. MRP
- b. CRM

- c. ERP
- d. SCM
- e. CASE

Answer: c

Diff: 2

Type: MC

Page Reference: 235

Topic: Q6

Skill: RECALL

72) An example of integrated, cross functional information system would be \_\_\_\_\_

- a. CASE.
- b. CAM.
- c. CAO.
- d. CRM.
- e. CAD.

Answer: d

Diff: 2

Type: MC

Page Reference: 237

Topic: Q7

Skill: RECALL

73) A hotel that is experiencing a slow period could use a(n) \_\_\_\_\_ to market promotions to its best customers.

- a. flyer campaign
- b. general ledger program
- c. twitter account
- d. facebook page
- e. integrated CRM application

Answer: e

Diff: 3

Type: MC

Page Reference: 238

Topic: Q7

Skill: RECALL

74) Business process management is all about

- a. CRM
- b. installing SAP R/3 to gain industry standard processes
- c. shortening your supply chain
- d. accomplishing the same activities with less resource cost
- e. becoming a cost leader under Porter's models

Answer: d

Diff: 3

Type: MC

Page Reference: 231

Topic: Q3

Skill: RECALL

75) \_\_\_\_\_ systems link up all the processes that touch the customer.

- a. MRP
- b. CASE
- c. CRM
- d. ERP
- e. SRM

Answer: c

Diff: 2

Type: MC

Page Reference: 237

Topic: Q7

Skill: RECALL

76) Business process design projects are expensive and difficult because

- a. business processes are often complex.
- b. of legacy technology.

- c. of legal issues.
- d. poor business processes are inefficient.
- e. business processes are complex and poor business processes are inefficient.

Answer: a

Diff: 3

Type: MC

Page Reference: 233

Topic: Q4

Skill: RECALL

77) The movement of business process design came about because systems developers began to wonder how they could

- a. improve existing functional systems.
- b. develop customer management relationship systems.
- c. use networks to go beyond just automating functional applications.
- d. use systems to automate the supply chain.
- e. integrate several different areas in an entire value chain.

Answer: e

Diff: 3

Type: MC

Page Reference: 231

Topic: Q3

Skill: RECALL

78) When implementing a system such as SAP companies must (can)

- a. experience substantial change.
- b. save money.
- c. experience its primary benefits from the software
- d. adhere to industry standard processes.
- e. continue to use all their own business process standards.

Answer: d

Diff: 2

Type: MC

Page Reference: 235

Topic: Q6

Skill: RECALL

79) The greatest advantages of a CRM system is that

- a. organizations can prioritize sales time and effort.
- b. it can use sales management applications.
- c. customer-touching processes can be linked to one another.
- d. all the data is stored in a single database.
- e. sales people can potentially increase sales.

Answer: c

Diff: 3

Type: MC

Page Reference: 237

Topic: Q7

Skill: RECALL

80) When adopting an ERO, the organization gains benefits because

- a. ERP has process blueprints.
- b. ERP allows the organization to gain the benefit of processes that have already been proven successful.
- c. ERP integrates all the activities in the organization and makes the organization successful.
- d. ERP allows the organizatin to standardize all of the corporate data.
- e. ERP places all the corporate data into a single database and makes business process more successful.

Answer: b

Diff: 2

Type: MC

Page Reference: 236

Topic: Q6

Skill: RECALL

81) SRM applications support these three basic processes:

- a. approve, enter, pay.
- b. book, receive, attend.
- c. attract, qualify, convert.
- d. invoice, inventory and payment.
- e. source, purchase and settle.

Answer: e

Diff: 3

Type: MC

Page Reference: 240

Topic: Q8

Skill: RECALL

82) Companies selling to other companies or to government need to fully

- a. integrate CRM and SRM systems.
- b. reach a wider audience.
- c. integrate ERP systems into their business models.
- d. become electronic exchanges.
- e. incorporate non-merchant e-commerce.

Answer: a

Diff: 3

Type: MC

Page Reference: 240

Topic: Q8

Skill: APPLIED

83) In the auto industry, supply chain management applications will include

- a. SRM, inventory and CRM
- b. customer tracking, production, and advertising.
- c. SRM and CRM only.
- d. ERP.
- e. production capacity.

Answer: a

Diff: 3

Type: MC

Page Reference: 240

Topic: Q8

Skill: APPLIED

84) In the settlement phase of an SRM application the SRM is linked to

- a. the financial management application or module.
- b. operations and manufacturing department.
- c. the company's web ordering system.
- d. the supplier's bank account.
- e. the inventory management application.

Answer: a

Diff: 3

Type: MC

Page Reference: 241

Topic: Q8

Skill: APPLIED

85) CRM is software that integrates all of the processes that touch a customer.

Diff: 2

Type: FIB

Page Reference: 237

Topic: Q7

Skill: RECALL

86) A(n) CRM system stores all customer data in one place.

Diff: 2

Type: FIB

Page Reference: 237

Topic: Q7

Skill: RECALL

87) EAI applications store data in (a) multiple database(s).

Diff: 2

Type: FIB

Page Reference: 232

Topic: Q3

Skill: RECALL

88) Systems that integrate all of an organization's core processes are called ERP systems.

Diff: 2

Type: FIB

Page Reference: 232

Topic: Q3

Skill: RECALL

89) One of the most successful vendors of ERP software is the German firm SAP.

Diff: 1

Type: FIB

Page Reference: 235

Topic: Q6

Skill: RECALL

90) Business application software from large companies usually has industry standard processes.

Diff: 3

Type: FIB

Page Reference: 233

Topic: Q5

Skill: RECALL

91) Four major factors, or drivers, affect supply chain performance: facilities, inventory, transportation, and information.

Diff: 2

Type: FIB

Page Reference: 240

Topic: Q8

Skill: RECALL

92) cross-functional systems were developed to solve the problems associated with functional silos.

Diff: 2

Type: FIB

Page Reference: 228

Topic: Q2

Skill: RECALL

93) To compete internationally, organizations must eventually achieve the efficiencies of cross-functional, process-based systems.

Diff: 3

Type: FIB

Page Reference: 228

Topic: Q2

Skill: RECALL



94) Functional systems include HR, Accounting and Finance, Marketing and Sales, Operations, and Manufacturing.

Diff: 1

Type: FIB

Page Reference: 227

Topic: Q2

Skill: RECALL

95) Personnel performance assessments are tasks that are supported by the human resources (HR) functional systems.

Diff: 2

Type: FIB

Page Reference: 229

Topic: Q2

Skill: RECALL

96) Cash management is a task that is supported by accounting functional systems.

Diff: 2

Type: FIB

Page Reference: 229

Topic: Q2

Skill: RECALL

97) Marketing and sales systems are functional systems that store data about potential customers, their product interests, and contacts with them by sales personnel for lead-tracking purposes.

Diff: 2

Type: FIB

Page Reference: 229

Topic: Q2

Skill: RECALL

98) When a salesperson enters a customer order and verifies the customer's credit they are using a functional application from the operations systems.

Diff: 2

Type: FIB

Page Reference: 229

Topic: Q2

Skill: RECALL

99) Industry standard processes can save the organization substantial costs of designing a new process.

Diff: 2

Type: FIB

Page Reference: 233

Topic: Q5

Skill: RECALL

100) There are three factors of information: purpose, availability, and means.

Diff: 2

Type: FIB

Page Reference: 242

Topic: Q7

Skill: RECALL

101) The competitive advantage of ERP systems erodes if all companies use the same “industry standard” processes.

Diff: 2

Type: FIB

Page Reference: 231

Topic: Q6

Skill: RECALL

102) It is the combination of people, procedures, hardware, software, and data that creates sustainable advantage.

Diff: 2

Type: FIB

Page Reference: 236

Topic: Q6

Skill: RECALL

103) Inter-organizational systems are used by two or more related companies.

Diff: 2

Type: FIB

Page Reference: 228

Topic: Q2

Skill: RECALL

104) The purpose of relationship management applications is to maximize the value of the existing customer base.

Diff: 2

Type: FIB

Page Reference: 238

Topic: Q2

Skill: RECALL

105) Integrated CRM applications store data in a single database.

Diff: 1

Type: FIB

Page Reference: 238

Topic: Q7

Skill: RECALL

106) With a(n) ERP system, people in the functional areas use the software to send and receive data directly from the central database.

Diff: 2

Type: FIB

Page Reference: 232

Topic: Q3

Skill: RECALL

107) Diagrams that show business processes show the flow and logic of one set of processes; these are referred to as blueprints.

Diff: 3

Type: FIB

Page Reference: 233

Topic: Q4

Skill: RECALL

108) Because all customer data resides in a single location in a CRM system, all CRM processes can be linked to one another.

Diff: 2

Type: FIB

Page Reference: 237

Topic: Q7

Skill: RECALL

109) In an ERP, the processes displayed in the business blueprints have been tried and tested by hundreds of organizations.

Diff: 2

Type: FIB

Page Reference: 236

Topic: Q5

Skill: RECALL

110) What is an enterprise resource planning system?

Answer:

Enterprise resource planning systems support all of the primary business processes as well as the human resources and accounting support processes.

Diff: 2

Type: ES

Page Reference: 235

Topic: Q5

Skill: RECALL

111) What are the steps in the customer life cycle?

Answer:

Marketing, customer acquisition, relationship management, and loss/churn.

Diff: 3

Type: ES

Page Reference: 237

Topic: Q7

Skill: RECALL

112) What is an industry standard process?

Answer:

An industry standard process is embedded is a business process that is embedded in enterprise application software.

Diff: 2

Type: ES

Page Reference: 233

Topic: Q5

Skill: RECALL

113) What is a SRM system?

Answer:

A supplier relationship management is a business process for managing all contacts between an organization and its suppliers.

Diff: 2

Type: ES

Page Reference: 240

Topic: Q8

Skill: RECALL

114) What is a CRM system?

Answer:

Customer relationship management (CRM) systems support the business processes of attracting, selling, managing, delivering, and supporting customers.

Diff: 2

Type: ES

Page Reference: 237

Topic: Q7

Skill: RECALL

115) What is a supply chain?

Answer:

A supply chain is a network of organizations and facilities that transforms raw materials into products delivered to customers.

Diff: 1

Type: ES

Page Reference: 239

Topic: Q8

Skill: RECALL

116) What is the difference between a CRM and a traditional functional application?

Answer:

The difference between CRM systems and traditional functional applications is that CRM addresses all activities and events that touch the customer and provides a single repository for data about all customer interactions. With functional systems, data about customers are sprinkled in databases all over the organization. Some customer data exist in customer management databases, some in order entry databases, some in customer service databases, and so forth. CRM systems store all customer data in one place and make it possible to access all data about the customer.

Diff: 3

Type: ES

Page Reference: 237

Topic: Q7

Skill: APPLIED

117) It is said that adopting a system such as SAP R/3 may trigger a reduction in competitive advantage through the spread of industry standard processes. Explain why this may happen and identify the important difference that may mitigate this reduction.

Answer:

Adopting a system such as SAP/3 may cause a reduction in competitive advantage through the spread of industry standard processes because the organization is imitating other organization's processes instead of developing/improving its own. Therefore, it seems to provide not much differentiation from other organizations. However, as we have learned, information systems do not only refer to the hardware, software, and procedures, but also data and people. Thus, the organization's competitive advantage depends on the good combination of these five components. Also, industry standard process can help an organization improve their processes by realizing the best practices of its competitors.

Diff: 3

Type: ES

Page Reference: 233

Topic: Q5

Skill: APPLIED

118) As all the companies in an industry move to more integrated information systems how can they still reap a competitive advantage from them? Does adopting the standard business blueprint still provide a competitive advantage?

Answer:

Although many companies raced to implement an ERP system prior to Y2K, there was considerable variation in the level and quality of the integration of the business processes that they achieved. There is still a lot of room for improvement. Companies hope to build on these integrated systems not only by improving the processes, but also by adding wireless access, Web-enabling them, and integrating other new technologies like RFID tags and scanning applications. Some very large companies even have multiple ERP systems that are difficult to integrate between their different business units. There is potential for integration on an even larger, corporate scale. There is some debate today about whether ERP systems have become so prevalent that they have become commoditized and don't offer any differentiation in industry. ERP vendors have tried to counter this by expanding their offerings to support things like archiving and specialized reporting. They now offer to go back and perform process tune-ups and even optimizing things like the supply chain.

Diff: 3

Type: ES

Page Reference: 236

Topic: Q6

Skill: APPLIED

119) Give an example of an application from each of the five categories of functional systems.

Answer:

Marketing and Sales: Sales forecasting

Operations: Inventory management

Manufacturing: Scheduling

Human resources: Payroll and compensation

Accounting and finance: Accounts receivable

Diff: 2

Type: ES

Page Reference: 229

Topic: Q2

Skill: RECALL

120) Describe how an ERP supports each of the primary activities in Porter's value chain model.

Answer:

The generic value chain has five primary and four support activities. The primary activities of the value chain include inbound logistics, operations, outbound logistics, marketing and sales, and service. An ERP allows for the linking of these activities together so that data from the primary and support activities can be combined in the decision making process.

Diff: 3

Type: ES

Page Reference: 228

Topic: Q2

Skill: APPLIED

121) Inter-organizational information systems such as SCM, SRM, and Web-based systems have the potential for providing significant competitive advantage today. While this is good in theory, what potential problems does it present?

Answer:

The adoption of inter-organizational information systems involves multiple departments; that is, its implementation demands the organization to invest enough time in a thorough understanding of the system a priori. One potential problem that may arise is that data

are not properly corrected (e.g., accurate information, normalized data) and entered in the system. This problem may cause the system to fail because the ultimate goal of these systems is the exchange of accurate and reliable information. Another issue is people's resistance to using the new system and the change. If users are not given a proper training in the benefits, use, and purpose of the system as well as not given the opportunity to get involved in the implementation stages, users start losing faith in the usefulness of the information system.

Diff: 3

Type: ES

Page Reference: 236

Topic: Q6

Skill: APPLIED