

Exam

Name \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 1) Data management technology consists of the 1) \_\_\_\_\_  
A) detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.  
B) hardware and software used to transfer data.  
C) software governing the organization of data on physical storage media.  
D) physical hardware and media used by an organization for storing data.
- 2) An example of a business using information systems to attain operational excellence is 2) \_\_\_\_\_  
A) the Mandarin Oriental hotel's customer-preference tracking system.  
B) Verizon's Web-based digital dashboard.  
C) Apple Inc.'s iPod.  
D) Wal-Mart's RetailLink system.
- 3) The average number of tickets sold daily online is an example of 3) \_\_\_\_\_  
A) input. B) feedback.  
C) meaningful information. D) raw data.
- 4) The costs for firms operating on a global scale have been drastically reduced by 4) \_\_\_\_\_  
A) networking technology.  
B) investments in organizational complementary assets.  
C) the rise of digital content.  
D) the Internet.
- 5) Mary has just graduated from university with a degree in operations research. Based on her education, Mary would be a good fit with a firm that sees information systems in primarily a \_\_\_\_\_. 5) \_\_\_\_\_  
A) liberal arts approach B) behavioural approach  
C) sociotechnical approach D) technical approach
- 6) The use of information systems because of necessity describes the business objective of 6) \_\_\_\_\_  
A) competitive advantage. B) improved business practices.  
C) survival. D) improved flexibility.
- 7) Apple Computer dominates the online legal music sales industry primarily because of a failure of recording label companies to 7) \_\_\_\_\_  
A) modernize their information value chain. B) invest in complementary assets.  
C) invest in technology. D) adopt a new business model.
- 8) Which main business function is responsible for maintaining employee records? 8) \_\_\_\_\_  
A) finance and accounting B) sales and marketing  
C) manufacturing and production D) human resources
- 9) The fundamental set of assumptions, values, and ways of doing things that has been accepted by most of a company's members is called its 9) \_\_\_\_\_  
A) environment. B) atmosphere. C) culture. D) values.
- 10) The discipline that focuses on mathematical techniques for optimizing parameters of organizations, such as transportation and inventory control, is 10) \_\_\_\_\_  
A) management science. B) utilization management.  
C) operations research. D) MIS.
- 11) Margo works for a national consulting firm. Her work takes place at the client's workplace. Currently she has clients in both Montreal and France. The way in which Jean works is referred to as \_\_\_\_\_. 11) \_\_\_\_\_  
A) process shifting B) space shifting  
C) digital shifting D) time shifting
- 12) Robert has just graduated from university with a dual degree in economics and computer science. Based on his education, Robert would be a good fit with a firm that sees information systems in primarily a \_\_\_\_\_. 12) \_\_\_\_\_  
A) behavioural approach B) liberal arts approach

- C) technical approach D) sociotechnical approach
- 13) The hardware and software used to transfer data in an organization is called 13) \_\_\_\_\_  
A) data and telecommunications technology.  
B) networking and data management technology.  
C) networking and telecommunications technology.  
D) data management technology.
- 14) Jacob is a mid level manager in his insurance firm. He works in an office with ten other insurance agents. Jacob is assigned the task to determine which word processor all of the office should adopt. He is dealing with a decision about \_\_\_\_\_. 14) \_\_\_\_\_  
A) data management technology B) computer software  
C) computer hardware D) change management
- 15) A corporation that funds a political action committee, which in turn promotes and funds a political candidate who agrees with the values of that corporation, could be seen as investing in which main category of complementary assets? 15) \_\_\_\_\_  
A) organizational B) managerial C) social D) governmental
- 16) An example of raw data from a national chain of automobile stores would be 16) \_\_\_\_\_  
A) 1 Toyota RAV4 sold March 3, 2008 in Louisville, Kentucky.  
B) 30 percent increase in Toyota RAV4 sales during September in Kentucky.  
C) an average of 13 Toyotas are sold daily in Kentucky.  
D) all of the above.
- 17) Which of the following would NOT be used as an input for an information system? 17) \_\_\_\_\_  
A) handheld computer B) digital dashboard  
C) bar-code scanner D) cell phone
- 18) Sociologists study information systems with an eye to understanding 18) \_\_\_\_\_  
A) how human decision makers perceive and use formal information.  
B) how systems affect individuals, groups, and organizations.  
C) the production of digital goods.  
D) how new information systems change the control and cost structures within the firm.
- 19) Which of the following are environmental actors that interact with an organization and its information systems? 19) \_\_\_\_\_  
A) regulatory agencies B) customers  
C) suppliers D) all of the above
- 20) Engineers, scientists, or architects, who design new products or services for a firm, belong to which level of a business hierarchy? 20) \_\_\_\_\_  
A) production workers B) data workers  
C) middle management D) knowledge workers
- 21) James is under a lot of pressure as the Christmas season approaches. James works for a Christmas tree distributor. He is currently looking to hire, train and retain employees to make sure that his firm can meet all manufacturing and sales of this busy season for his firm. James works in which function in his organization? 21) \_\_\_\_\_  
A) sales and marketing B) finance and accounting  
C) manufacturing and production D) human resources
- 22) Which of the following constitutes an organizational element in the UPS tracking system described in the chapter? 22) \_\_\_\_\_  
A) the use of handheld computers and networks for managing package delivery  
B) monitoring service levels  
C) the specification of procedures for identifying packages with sender and recipient information  
D) promoting the company strategy of low-cost, superior service
- 23) Which of the following are key corporate assets? 23) \_\_\_\_\_  
A) production technologies and business processes for sales, marketing, and finance  
B) time and knowledge  
C) knowledge and the firm's tangible assets, such as goods or services  
D) intellectual property, core competencies, and financial and human assets
- 24) A firm that must invest in new information systems capabilities in order to comply with federal legislation can be said to be

investing to achieve which business objective? 24) \_\_\_\_\_  
A) customer intimacy B) improved reporting  
C) survival D) operational excellence

25) Disciplines that contribute to the technical approach to information systems are: 25) \_\_\_\_\_  
A) management science, computer science, and engineering.  
B) computer science, engineering, and networking.  
C) operations research, management science, and computer science.  
D) engineering, utilization management, and computer science.

26) Trimac's implementation of a Web-based digital dashboard to provide managers with real-time information such as customer complaints is an example of 26) \_\_\_\_\_  
A) improved flexibility. B) customer and supplier intimacy.  
C) improved decision making. D) improved efficiency.

27) The fact that online advertising revenues are growing at 25 percent a year, while offline traditional advertising revenues are growing at about 5 percent a year, suggests that 27) \_\_\_\_\_  
A) the Internet is transforming the traditional advertising business model.  
B) new technologies are more efficient at selling to customers.  
C) offline traditional advertising is not very effective.  
D) Internet advertising is very inexpensive.

28) An information system can be defined technically as a set of interrelated components that collect, process, store, and distribute information to support 28) \_\_\_\_\_  
A) the creation of new products and services.  
B) decision making and control in an organization.  
C) managers analyzing the organization's raw data.  
D) communications and data flow.

29) The move of retail banking to use ATMs after Citibank unveiled its first ATMs illustrates the use of information systems to achieve which business objective? 29) \_\_\_\_\_  
A) improved efficiency B) survival  
C) customer and supplier intimacy D) competitive advantage

30) Maintaining the organization's financial records is a central purpose of which main business function? 30) \_\_\_\_\_  
A) finance and accounting B) finance and sales  
C) sales and manufacturing D) manufacturing and accounting

31) An example of an organizational complementary asset is 31) \_\_\_\_\_  
A) laws and regulations. B) using the appropriate business model.  
C) a collaborative work environment. D) all of the above.

32) Bruce is organizing the immense amount data that his firm collects in their customer relationship management system. He wants to be able to manipulate this information so that they can determine who their best customers are. Bruce will want utilize \_\_\_\_\_, in order to accomplish this task. 32) \_\_\_\_\_  
A) computer software B) computer hardware  
C) change management D) data management technology

33) The field that deals with behavioural issues as well as technical issues surrounding the development, use, and impact of information systems used by managers and employees in the firm is called 33) \_\_\_\_\_  
A) information systems architecture. B) information systems literacy.  
C) management information systems. D) information technology infrastructure.

34) Mario has just graduated from university with a degree in economics. Based on his education, Mario would be a good fit with a firm that sees information systems in primarily a \_\_\_\_\_. 34) \_\_\_\_\_  
A) liberal arts approach B) technical approach  
C) sociotechnical approach D) behavioural approach

35) In the past decade, Canada lost many manufacturing jobs to offshore, low-wage producers. But manufacturing \_\_\_\_\_ part of Canadian employment business processes and digital systems. 35) \_\_\_\_\_  
A) is a growing B) is still a large

- C) is now a very small D) is the biggest
- 36) Overproduction or underproduction of goods and services, misallocation of resources, and poor response times are the results of a firm's having 36) \_\_\_\_\_  
 A) inadequate information. B) a surplus of information.  
 C) poor relationships with customers. D) poor relationships with suppliers.
- 37) Networking and telecommunications technologies, along with computer hardware, software, data management technology, and the people required to run and manage them, constitute an organizations 37) \_\_\_\_\_  
 A) IT infrastructure. B) information system.  
 C) data management environment. D) networked environment.
- 38) Based on the examples in the chapter, if you were asked to formulate a plan for a regional drive-in restaurant chain's efforts to use information technology to develop a loyal customer base, what would be the best use of information technology from the list below? 38) \_\_\_\_\_  
 A) Use IT to achieve customer intimacy.  
 B) Use IT to help survive government reporting requirements.  
 C) Use IT to increase operational efficiency.  
 D) Use IT to create new products and business models.  
 E) Use IT to increase supplier loyalty.
- 39) An example of a social complementary asset is 39) \_\_\_\_\_  
 A) distributed decision-making rights.  
 B) technology and service firms in adjacent markets.  
 C) training programmes.  
 D) all of the above.
- 40) The three activities in an information system that produce the information organizations use to control operations are 40) \_\_\_\_\_  
 A) input, processing, and output.  
 B) input, output, and feedback.  
 C) information retrieval, research, and analysis.  
 D) data analysis, processing, and feedback.
- 41) Order data for baseball tickets and bar code data are examples of 41) \_\_\_\_\_  
 A) sales information. B) raw input.  
 C) customer and product data. D) raw output.
- 42) A managerial element in the UPS tracking system described in the chapter is 42) \_\_\_\_\_  
 A) the decision to use automation.  
 B) taking inventory.  
 C) in-house package tracking software.  
 D) providing package status reports to customers.
- 43) Which field of study focuses on both a behavioural and technical understanding of information systems? 43) \_\_\_\_\_  
 A) operations research B) management information systems  
 C) economics D) sociology
- 44) In video conferencing, there are even some free Internet-based options such as Skype videoconferencing. This product is of \_\_\_\_\_ than traditional videoconferencing products, and is proprietary. 44) \_\_\_\_\_  
 A) advanced quality B) higher quality  
 C) superior quality D) lower quality
- 45) Thomas Friedman's declaration that the world was now "flat" meant that 45) \_\_\_\_\_  
 A) globalization is starting to offer less advantage to large corporations.  
 B) global capitalism is homogenizing culture and business practices throughout the world.  
 C) the Internet has reduced the economic advantages of developed countries.  
 D) the global economy is increasingly commanded by fewer and larger corporations.
- 46) The three principle levels within a business organization hierarchy are 46) \_\_\_\_\_  
 A) senior management, operational management, and service workers.  
 B) senior management, middle management, and service workers.

- C) senior management, operational management, and information systems.  
D) senior management, middle management, and operational management.
- 47) The Canadian government has been investing heavily in information systems education programmes across all of the colleges of Canada. This is an example of a(n) \_\_\_\_\_. 47) \_\_\_\_\_  
A) social investment B) managerial asset investment  
C) business model investment D) organizational investment
- 48) Toyota's use of information systems to improve efficiency to maintain consistent profitability and an industry lead illustrates which business objective? 48) \_\_\_\_\_  
A) competitive advantage B) improved flexibility  
C) improved business practices D) survival
- 49) Toyota Motor Company's vehicle orders management system allows it to improve efficiency by basing vehicle production on 49) \_\_\_\_\_  
A) actual customer orders. B) superior forecasts of regional demand.  
C) improved decision making. D) customer preferences.
- 50) An example of a business using information systems to create new products and services is 50) \_\_\_\_\_  
A) Verizon's Web-based digital dashboard.  
B) the Mandarin Oriental hotel's customer-preference tracking system.  
C) Apple Inc.'s iPod.  
D) Wal-Mart's RetailLink system.
- 51) Converting raw data into a more meaningful form is called 51) \_\_\_\_\_  
A) organizing. B) processing. C) capturing. D) feedback.
- 52) In a hierarchical organization, the upper levels consist of 52) \_\_\_\_\_  
A) professional and operational employees.  
B) managerial, professional, and technical employees.  
C) managerial, professional, and operational employees.  
D) managerial and professional employees.
- 53) Psychologists study information systems with an eye to understanding 53) \_\_\_\_\_  
A) how new information systems change the control and cost structures within the firm.  
B) how systems affect individuals, groups, and organizations.  
C) how human decision makers perceive and use formal information.  
D) the production of digital goods.
- 54) Output 54) \_\_\_\_\_  
A) transfers processed information to the people who will use it or to the activities for which it will be used.  
B) is information that is returned to appropriate members of the organization to help them evaluate the input stage.  
C) transfers data to the people who will use it or to the activities for which it will be used.  
D) is feedback that has been processed to create meaningful information.
- 55) The six important business objectives of information technology are new products, services, and business models; customer and supplier intimacy; survival; competitive advantage; operational excellence; and \_\_\_\_\_. 55) \_\_\_\_\_  
A) improved flexibility B) improved efficiency  
C) improved business practices D) improved decision making
- 56) From a business perspective, raw data is transformed systematically during various stages, transforming it into valuable information, in a process called 56) \_\_\_\_\_  
A) feedback. B) information processing.  
C) the IT value chain. D) the information value chain.
- 57) \_\_\_\_\_ refer to the set of logically related tasks and behaviours that organizations develop over time to produce specific business results and the unique manner in which these activities are organized and coordinated. 57) \_\_\_\_\_  
A) Value chains B) Business processes  
C) Virtual meetings D) Digital firms
- 58) You work for a door manufacturer in Eastern Canada. You have just developed a new method generating and fulfilling an order for

doors that will be exported. This is an example of a \_\_\_\_\_ which you might use as a competitive advantage. 58) \_\_\_\_\_  
 A) virtual meetings B) business processes  
 C) digital firms D) value chains

59) In a business hierarchy, the level that is responsible for monitoring the daily activities of the business is 59) \_\_\_\_\_  
 A) production management. B) operational management.  
 C) middle management. D) service workers.

60) A national fast food company has analyzed their business processes. They have decided to centralize all food preparation in a central food plant and then ship the products to their stores across Canada for reheating before serving the client. This new business process is an example of a(n) \_\_\_\_\_. 60) \_\_\_\_\_  
 A) social investment B) business model investment  
 C) managerial asset investment D) organizational investment

61) An example of a business using information systems for customer and supplier intimacy is 61) \_\_\_\_\_  
 A) Apple Inc.'s iPod.  
 B) Verizon's Web-based digital dashboard.  
 C) the Mandarin Oriental hotel's customer-preference tracking system.  
 D) Wal-Mart's RetailLink system.

62) Toyota has flourished in a highly competitive environment because it has created a set of finely tuned \_\_\_\_\_ that simultaneously promote agility, efficiency, and quality. 62) \_\_\_\_\_  
 A) business processes and information systems  
 B) digital processes and information systems  
 C) business processes and digital systems  
 D) business processes and value systems

63) Jean works for a food processing company. His firm ships products all over the world. As a result Jean must be available at all hours of the day or night to communicate with clients. The way in which Jean works is referred to as \_\_\_\_\_. 63) \_\_\_\_\_  
 A) time shifting B) process shifting C) digital shifting D) space shifting

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

64) "Information systems" are more complex and can be best be understood by looking at them from both a \_\_\_\_\_ and a \_\_\_\_\_ perspective. 64) \_\_\_\_\_

65) Adopting a \_\_\_\_\_ systems perspective helps to avoid a purely technological approach to information systems. 65) \_\_\_\_\_

66) \_\_\_\_\_ is data that has been shaped into a form that is meaningful to human beings. 66) \_\_\_\_\_

67) \_\_\_\_\_ spaces are where employees meet one another, even when they are separated by continents and time zones. 67) \_\_\_\_\_

68) \_\_\_\_\_, in contrast, focuses primarily on knowledge of information technology. 68) \_\_\_\_\_

69) Core \_\_\_\_\_ are accomplished through digital networks spanning the entire organization or linking multiple organizations. 69) \_\_\_\_\_

70) Computer \_\_\_\_\_ consists of the detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system. 70) \_\_\_\_\_

71) The key elements of an \_\_\_\_\_ are its people, structure, business processes, politics, and culture. 71) \_\_\_\_\_

72) Firms producing goods and services on a global scale achieve extraordinary \_\_\_\_\_ by finding low-cost suppliers and managing production facilities in other countries. 72) \_\_\_\_\_

73) Investments in organization and management, such as investments in new business models and training, are also known as \_\_\_\_\_. 73) \_\_\_\_\_

74) Managers routinely use so-called \_\_\_\_\_ technologies like social networking, collaboration tools, and wikis in order to make better, faster decisions. 74) \_\_\_\_\_

- 75) Before setting up \_\_\_\_\_ or telepresence, it is important for a company to make sure it really needs the technology to ensure that it will be a profitable venture. 75) \_\_\_\_\_
- 76) \_\_\_\_\_ are those assets required to derive value from a primary investment 76) \_\_\_\_\_
- 77) A few firms, such as Cisco Systems and Dell Computers, are close to becoming \_\_\_\_\_ firms, using the Internet to drive every aspect of their business. 77) \_\_\_\_\_
- 78) Managers and business firms invest in information technology and systems because they provide real \_\_\_\_\_ value to the business. 78) \_\_\_\_\_
- 79) The critical feature of \_\_\_\_\_ is the digital compression of audio and video streams by a device called a codec. 79) \_\_\_\_\_
- 80) \_\_\_\_\_ technology consists of the software governing the organization of data on physical storage media. 80) \_\_\_\_\_
- 81) The \_\_\_\_\_ is a service provided by the Internet that uses universally accepted standards for storing, retrieving, formatting, and displaying information in a page format. 81) \_\_\_\_\_
- 82) \_\_\_\_\_ provide the equipment for storing and processing information. 82) \_\_\_\_\_
- 83) As managers, most of you will work for firms that are intensively using \_\_\_\_\_ systems and making large investments in information technology. 83) \_\_\_\_\_
- 84) Companies of all sizes are finding \_\_\_\_\_ online meeting tools such as WebEx, Microsoft Office Live Meeting, and Adobe Acrobat Connect especially helpful for training and sales presentations. 84) \_\_\_\_\_
- 85) A \_\_\_\_\_ describes how a company produces, delivers, and sells a product or service to create wealth. 85) \_\_\_\_\_
- 86) \_\_\_\_\_ research focuses on mathematical techniques for optimizing selected parameters of organizations, such as transportation, inventory control, and transaction costs. 86) \_\_\_\_\_
- 87) Important managerial complementary assets are strong \_\_\_\_\_ management support for change, incentive systems that monitor and reward individual innovation. 87) \_\_\_\_\_
- 88) \_\_\_\_\_ are private corporate networks extended to authorized users outside the organization. 88) \_\_\_\_\_
- 89) \_\_\_\_\_ is the physical equipment used for input, processing, and output activities in an information system. 89) \_\_\_\_\_
- 90) Canada lost many \_\_\_\_\_ jobs to offshore, low-wage producers. 90) \_\_\_\_\_
- 91) \_\_\_\_\_ carries out the programmes and plans of senior management. 91) \_\_\_\_\_
- 92) Important \_\_\_\_\_ investments, such as the Internet and the supporting Internet culture, educational systems, network and computing standards, regulations and laws, and the presence of technology and service firms are important. 92) \_\_\_\_\_
- 93) A \_\_\_\_\_ is one in which nearly all of the organization's significant business relationships with customers, suppliers, and employees are digitally enabled and mediated. 93) \_\_\_\_\_
- 94) \_\_\_\_\_ consists of all the hardware and software that a firm needs to use in order to achieve its business objectives. 94) \_\_\_\_\_
- 95) The \_\_\_\_\_ approach does not ignore technology. 95) \_\_\_\_\_
- 96) Adopting a \_\_\_\_\_ systems perspective helps to avoid a purely technological approach to information systems. 96) \_\_\_\_\_
- 97) MIS combines the work of computer science, management science, and operations research with a practical orientation toward developing \_\_\_\_\_ solutions to real-world problems and managing information technology resources. 97) \_\_\_\_\_

- 98) The key elements of an organization are its people, structure, business processes, politics, and \_\_\_\_\_. 98) \_\_\_\_\_
- 99) \_\_\_\_\_ is a global network that uses universal standards to connect millions of different networks around the world. 99) \_\_\_\_\_
- 100) \_\_\_\_\_ and individuals must also be changed through training, learning, and planned organizational change to allow the technology to operate and prosper. 100) \_\_\_\_\_
- 101) The disciplines that contribute to the \_\_\_\_\_ approach are computer science, management science, and operations research. 101) \_\_\_\_\_
- 102) The value of investments in information technology depends to a large extent on \_\_\_\_\_ investments in management and organization. 102) \_\_\_\_\_
- 103) A growing percentage of the economy of North America and other advanced industrial countries in Europe and Asia depends on \_\_\_\_\_ and \_\_\_\_\_. 103) \_\_\_\_\_
- 104) In a(n) \_\_\_\_\_ perspective, the performance of a system is optimized when both the technology and the organization mutually adjust to one another until a satisfactory fit is obtained. 104) \_\_\_\_\_
- 105) \_\_\_\_\_ firms sense and respond to their environments far more rapidly than traditional firms, giving them more flexibility to survive in turbulent times. 105) \_\_\_\_\_
- 106) By \_\_\_\_\_, we mean data that have been shaped into a form that is meaningful and useful to humans. 106) \_\_\_\_\_
- 107) \_\_\_\_\_ is output returned to appropriate members of the organization to help them evaluate or correct the input stage. 107) \_\_\_\_\_
- 108) Some firms fail to adopt the right \_\_\_\_\_ that suits the new technology or seek to preserve an old business model that is doomed by new technology. 108) \_\_\_\_\_
- 109) \_\_\_\_\_ job is to make sense out of the many situations faced by organizations, make decisions, and formulate action plans to solve organizational problems. 109) \_\_\_\_\_
- 110) The \_\_\_\_\_ to information systems emphasizes mathematically based models to study information systems as well as the physical technology and formal capabilities of these systems. 110) \_\_\_\_\_
- 111) The study of \_\_\_\_\_ arose in the 1970s to focus on the use of computer-based information systems in business firms and government agencies. 111) \_\_\_\_\_
- 112) Information systems and technologies have made it possible for managers to use \_\_\_\_\_ data from the marketplace when making decisions. 112) \_\_\_\_\_
- 113) \_\_\_\_\_ makes long-range strategic decisions about the firm's products and services. 113) \_\_\_\_\_
- 114) \_\_\_\_\_ converts this raw input into a meaningful form. 114) \_\_\_\_\_
- TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**
- 115) Government and private sector standards are examples of complementary social assets required to optimize returns from IT investments. 115) \_\_\_\_\_
- 116) UPS's use of Web-based tools that allow customers to embed UPS functions such as tracking and cost calculations into their own Web sites was an information systems solution used to achieve customer intimacy. 116) \_\_\_\_\_
- 117) Production or service workers actually produce the product and deliver the service 117) \_\_\_\_\_
- 118) Cloud computing platform is a flexible collection of computers on the Internet designed to perform tasks traditionally performed on corporate computers. 118) \_\_\_\_\_
- 119) Issues such as strategic business integration, design, implementation, utilization, and management are explored fully with the

models used in the technical approach. 119) \_\_\_\_\_

120) Knowledge workers assist with paperwork at all levels of the firm. 120) \_\_\_\_\_

121) In 2005, journalist Thomas Friedman wrote an influential book declaring the world was now "flat," by which he meant that the Internet and global communications had greatly increased the economic and cultural advantages of developed countries. 121) \_\_\_\_\_

122) The study of management information systems (MIS) arose in the 1970s to focus on the use of computer-based information systems in business firms and government agencies. 122) \_\_\_\_\_

123) Private intranets extended to authorized users outside the organization are called intranets. 123) \_\_\_\_\_

124) The World Wide Web is the exact same thing as the Internet. 124) \_\_\_\_\_

125) A firm that invests in efficient business processes is making an investment in organizational complementary assets. 125) \_\_\_\_\_

126) Recent research on business information technology investment indicates that firms that support their technology investments with investments in complementary assets. 126) \_\_\_\_\_

127) In the past decade, Canada gained many manufacturing jobs from offshore, low-wage producers. 127) \_\_\_\_\_

128) Developing a new product, fulfilling an order, and hiring a new employee are examples of business processes. 128) \_\_\_\_\_

129) In order to understand how a specific business firm uses information systems, you need to know something about the hierarchy and culture of the company. 129) \_\_\_\_\_

130) The emergence of the Internet into a full-blown international communications system has drastically increased the costs of operating and transacting on a global scale. 130) \_\_\_\_\_

131) Business processes are logically related tasks for accomplishing tasks that have been formally encoded by an organization. 131) \_\_\_\_\_

132) Intranets allow firms to work easily with third-party suppliers and vendors. 132) \_\_\_\_\_

133) The value of investments in information technology depends to a large extent on complementary investments in management and organization. 133) \_\_\_\_\_

134) Digital firms sense and respond to their environments far more rapidly than traditional firms, giving them more flexibility to survive in turbulent times. 134) \_\_\_\_\_

135) Developing a new product, fulfilling an order, or hiring a new employee are examples of business processes. 135) \_\_\_\_\_

136) A business model describes how a company produces, delivers, and sells a product or service to create wealth. 136) \_\_\_\_\_

137) As managers, most students will work for firms that are intensively using information systems and making large investments in information technology. 137) \_\_\_\_\_

138) Computers are only part of an information system. 138) \_\_\_\_\_

139) The top-of-the-line videoconferencing technology is known as telepresence. 139) \_\_\_\_\_

140) Supply chains have become more fast paced, with companies of all sizes depending on just-in-time inventory to reduce their overhead costs and get to market faster. 140) \_\_\_\_\_

141) Information technology (IT) consists of all the hardware that a firm needs to use in order to achieve its business objectives, whereas information systems consist of all the software and business processes needed. 141) \_\_\_\_\_

142) New industries appear, old ones decline, and successful firms are those that learn how to use the new technologies. 142) \_\_\_\_\_

143) Information technology (IT) can be defined technically as a set of interrelated components that collect, process, store, and distribute information to support decision making and control in an organization. 143) \_\_\_\_\_

- 144) The dimensions of information systems are management, organizations, and information technology. 144) \_\_\_\_\_
- 145) A fully digital firm produces only digital goods or services. 145) \_\_\_\_\_
- 146) The study of information systems is a single disciplinary field. 146) \_\_\_\_\_
- 147) Managers adopt millions of mobile tools such as smartphones and mobile Internet devices to accelerate decision making and improve performance 147) \_\_\_\_\_
- 148) Middle management makes long-range strategic decisions about products and services and ensures the financial performance of the firm. 148) \_\_\_\_\_
- 149) There are four major business functions: Sales and marketing; manufacturing and production; finance and accounting; and information technology. 149) \_\_\_\_\_
- 150) Information systems literacy describes the behavioural approach to information systems, whereas computer literacy describes the technical approach. 150) \_\_\_\_\_
- 151) Less powerful data analytics and interactive dashboards provide real-time performance information to managers to enhance management control and decision making. 151) \_\_\_\_\_
- 152) Cell phones, BlackBerrys, iPhones, e-mail, and online conferencing over the Internet have not yet become essential tools of business. 152) \_\_\_\_\_
- 153) The critical feature of videoconferencing is the digital compression of audio and video streams by a device called a codec. 153) \_\_\_\_\_
- 154) An IT infrastructure provides the platform on which the firm can build its information systems. 154) \_\_\_\_\_
- 155) A substantial part of management responsibility is creative work driven by new knowledge and information. 155) \_\_\_\_\_
- 156) Business organizations are hierarchies consisting of three principal levels: senior management, middle management, and operational management. 156) \_\_\_\_\_
- 157) A network requires at least two computers and a shared resource, such as a printer. 157) \_\_\_\_\_
- 158) Netbooks are emerging as a growing presence in the PC marketplace, often using open-source software. 158) \_\_\_\_\_
- 159) In the behavioural approach to information systems, technology is ignored in favour of understanding the psychological, social, and economic impacts of systems. 159) \_\_\_\_\_
- 160) Internet advertising is growing at a rate of more than 25 percent a year. 160) \_\_\_\_\_
- 161) Web 2.0 applications are not widely adopted by firms 161) \_\_\_\_\_

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 162) You are a marketing manager for a national movie theater chain. Give an example of data that your department could use for creating meaningful information. What type of information could that data produce?
- 163) You work at the business headquarters for a chain of movie theaters. Describe this firm's information value chain.
- 164) What does globalization have to do with management information systems?
- 165) Define *business process*. What might be a business process used at a hospital?
- 166) This chapter discusses how each organization has its own culture and sets of values shared by most of its members. What kind of shared values might you find at a law firm?
- 167) Studies of returns from information technology investments show that there is considerable variation in the returns firms receive. How does the concept of concept of complementary assets explain this variation in returns to the firm?

- 168) Define operational excellence. How can information systems help achieve it?
- 169) How are information systems transforming businesses today in Canada?
- 170) How does a company's use of information systems affect its corporate strategies? Provide an example.
- 171) You are starting a small bike messenger company. Given your type of services (hand-delivering packages within a small geographical area), could your firm be a digital firm? If so, what would make this a digital firm?
- 172) What is the difference between information technology and information systems? Describe some of the functions of information systems.
- 173) The information systems of Accenture, a global consulting firm, allow for a highly decentralized organization without a traditional headquarters. Based on your reading of Chapter 1, which of the six strategic business objectives does Accenture's information systems contribute to?
- 174) You work for an auto manufacturer and distributor. How could you use information systems to achieve greater customer intimacy?
- 175) You work at the central office of a nationwide pizza chain. You have been assigned the task of explaining how your firm might use information technology to achieve the strategic business objective of improved decision making?
- 176) In 2005, journalist Thomas Friedman wrote an influential book declaring the world was now "flat." What does this mean and what impact does it have for managers in regards to information technology?

- 1) C
- 2) D
- 3) C
- 4) D
- 5) D
- 6) C
- 7) D
- 8) D
- 9) C
- 10) C
- 11) B
- 12) D
- 13) C
- 14) B
- 15) C
- 16) A
- 17) B
- 18) B
- 19) D
- 20) D
- 21) D
- 22) C
- 23) D
- 24) C
- 25) C
- 26) C
- 27) A
- 28) B
- 29) B
- 30) A
- 31) B
- 32) D
- 33) C
- 34) D
- 35) C
- 36) A
- 37) A
- 38) A
- 39) B
- 40) A
- 41) B
- 42) A
- 43) B
- 44) D
- 45) C
- 46) D
- 47) A
- 48) A
- 49) A
- 50) C
- 51) B
- 52) B
- 53) C
- 54) A
- 55) D
- 56) D
- 57) B
- 58) B
- 59) B
- 60) D

- 61) C
- 62) A
- 63) A
- 64) technology, business.
- 65) sociotechnical
- 66) Information
- 67) Collaboration
- 68) Computer literacy
- 69) business processes
- 70) software
- 71) organization
- 72) cost reductions
- 73) organizational and management capital
- 74) “Web 2.0”
- 75) videoconferencing
- 76) Complementary assets
- 77) digital
- 78) economic
- 79) videoconferencing
- 80) Data management
- 81) World Wide Web/Web/WWW
- 82) Computers
- 83) information
- 84) Web-based
- 85) business model
- 86) Operations
- 87) senior
- 88) Extranets
- 89) Computer hardware
- 90) manufacturing
- 91) Middle management
- 92) social
- 93) digital firm
- 94) Information technology (IT)
- 95) behavioural
- 96) sociotechnical
- 97) system
- 98) culture
- 99) The Internet
- 100) Organizations
- 101) technical
- 102) complementary
- 103) imports; exports
- 104) sociotechnical
- 105) Digital
- 106) information
- 107) Feedback
- 108) business model
- 109) Management’s
- 110) technical approach
- 111) management information systems (MIS)
- 112) real-time
- 113) Senior management
- 114) Processing
- 115) TRUE
- 116) TRUE
- 117) TRUE
- 118) TRUE
- 119) FALSE
- 120) FALSE
- 121) FALSE

- 122) TRUE
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- 125) TRUE
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- 159) FALSE
- 160) TRUE
- 161) FALSE

- 162) Movie ticket sales from individual theaters would be an example of raw data. Meaningful information from this would be: average number of tickets sold to seniors on certain days of the week.
- 163) An information value chain adds value to data at various stages, transforming it into valuable data. At a chain of movie theaters, data would be gathered from ticket sales and concession sales. Information systems would help transform this into meaningful information, such as determining the types of movies popular in certain regions, times and days of the week that people most often saw movies, what snacks were the most popular. This information would be valuable in making decisions, such as offering ticket discounts during less popular time slots, and offering more popular snack items. Further feedback based on the results of these decisions could determine whether these decisions were effective.
- 164) That is simple: everything. The emergence of the Internet into a full-blown international communications system has drastically reduced the costs of operating and transacting on a global scale. Communication between a factory floor in Shanghai and a distribution centre in Winnipeg, Manitoba, is now instant and virtually free. Customers now can shop in a worldwide marketplace, obtaining price and quality information reliably 24 hours a day. Firms producing goods and services on a global scale achieve extraordinary cost reductions by finding low-cost suppliers and managing production facilities in other countries. Internet service firms, such as Google and eBay, are able to replicate their business models and services in multiple countries without having to redesign their expensive fixed-cost information systems infrastructure. Briefly, information systems enable globalization.
- 165) A business process is a set of logically related tasks and behaviours for accomplishing work. Hiring a new employee, customer intake, and filing medical records are examples of business processes at a hospital.
- 166) Shared values at a law firm might be: The legal system works, the legal system is fair, lawyers help people, and people need help with the legal system because it is complicated.
- 167) **Complementary assets** are those assets required to derive value from a primary investment. Recent research on business information technology investment indicates that firms that support their technology investments with investments in complementary

assets, such as new business models, new business processes, management behaviour, organizational culture, and training, receive superior returns while those firms failing to make these complementary investments receive fewer or no returns on their information technology investments. These investments in organization and management are also known as **organizational and management capital**. A firm may need the major complementary investments to realize value from their information technology investments. Some of this investment involves tangible assets, such as buildings, machinery, and tools. However, the value of investments in information technology depends to a large extent on complementary investments in management and organization.

168) Operational excellence is the achievement of higher levels of productivity, efficiency, profitability. Information systems can help achieve operational excellence by improving communications to supplier and optimizing the supply chain. Information systems could help managers communicate with workers more efficiently, enable technological innovation in products, minimize warehouse overhead, streamline distribution.

169) You can see the results of this massive spending around you every day by observing how people conduct business. More wireless cell phone accounts were opened in 2008 than telephone land lines installed. Cell phones, BlackBerrys, iPhones, e-mail, and online conferencing over the Internet have all become essential tools of business. More than 80 million businesses worldwide had dot-com Internet sites registered. In 2008, more than 42 percent of Canadian businesses had dot-com Internet sites registered. Supply chains have become more fast paced, with companies of all sizes depending on just-in-time inventory to reduce their overhead costs and get to market faster. As newspaper readership continues to decline, in North America, more people receive their news online. Social networking sites such as MySpace and Facebook attract more than 70 and 30 million visitors a month, respectively, and businesses are starting to use social networking tools to connect their employees, customers, and managers worldwide. The Canadian information and communication technologies sector grew to more than \$59.2 billion in 2008. E-commerce and Internet advertising are booming:

170) A firm's ability to effectively use information technology is interdependent with its ability to implement corporate strategies and achieve corporate goals. More and more, the ability to compete and succeed depends on a company's ability to implement technology.

What a business would like to do in the future can depend on what its systems will be able to do. Examples of this might be a company who invests in information systems that enable it to create new products or to make its distribution system more efficient, allowing the company to become the low-cost producer.

171) Being a digital firm doesn't purely rely on having digital goods and services. A digital firm would have most of its relationships with customers, suppliers, and employees be digitally enabled. Ordering deliveries, assigning deliveries, managing employees and assignments could certainly be digitally enabled; using cell phones, information systems, and handheld devices to connect customers, delivery management, and bike messengers.

172) Information technology (IT) consists of all the hardware and software that a firm needs to use to achieve its business objectives. Information systems are more complex. An information system can be defined technically as a set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision making and control in an organization.

An information system:

- supports decision making, coordination, and control
- helps employees analyze problems
- helps employees visualize complex subjects
- helps create new products

173) Student answers will vary. The following is an example of a possible answer: Accenture's information systems allow its mobile workforce to be within easy, constant reach of its customers, contributing to the business objective of customer and supplier intimacy. Additionally, the ability of employees to connect to and work with local branch information systems in standard ways, regardless of their location, contributes to more efficient processes and operational excellence.

174) You could create a Web site that allows customers to customize cars, communicate with support personnel and other car owners. You could create an automated e-mail service reminding car owners to take their car in for periodic checkups. You could have an information system that tracks customer preferences in local areas, so you can provide cars that reflect local customer needs and desires.

175) Many business managers operate in an information fog bank, never really having the right information at the right time to make an informed decision. Instead, managers rely on forecasts, best guesses, and luck. The result is over- or underproduction of goods and services, misallocation of resources, and poor response times. These poor outcomes raise costs and lose customers. In the past decade, information systems and technologies have made it possible for managers to use real-time data from the marketplace when making decisions. The pizza chain's digital dashboard could deliver comprehensive and accurate information for decision making. The graphical overview of key performance indicators will help managers quickly spot areas that need attention.

176) He meant that the Internet and global communications had greatly reduced the economic and cultural advantages of developed countries. North American and European countries were in a fight for their economic lives, competing for jobs, markets, resources, and even ideas with highly educated, motivated populations in low-wage areas in the less-developed world. This "globalization" presents both challenges and opportunities. A growing percentage of the economy of North America and other advanced industrial countries in Europe and Asia depends on imports and exports. Many firms derive half their revenues from foreign operations. It is not just goods that move across borders. So too do jobs, some of them high-level jobs that pay well and require a post-secondary degree. In the past decade, Canada lost many manufacturing jobs to offshore, low-wage producers. But manufacturing is now a very small part of Canadian employment (less than 10 percent) (Statistics Canada). In a normal year, a number of service jobs move offshore to lower-wage countries, many of them in less-skilled information system occupations, but also including "tradable service" jobs in

architecture, financial services, customer call centres, consulting, engineering, and even radiology