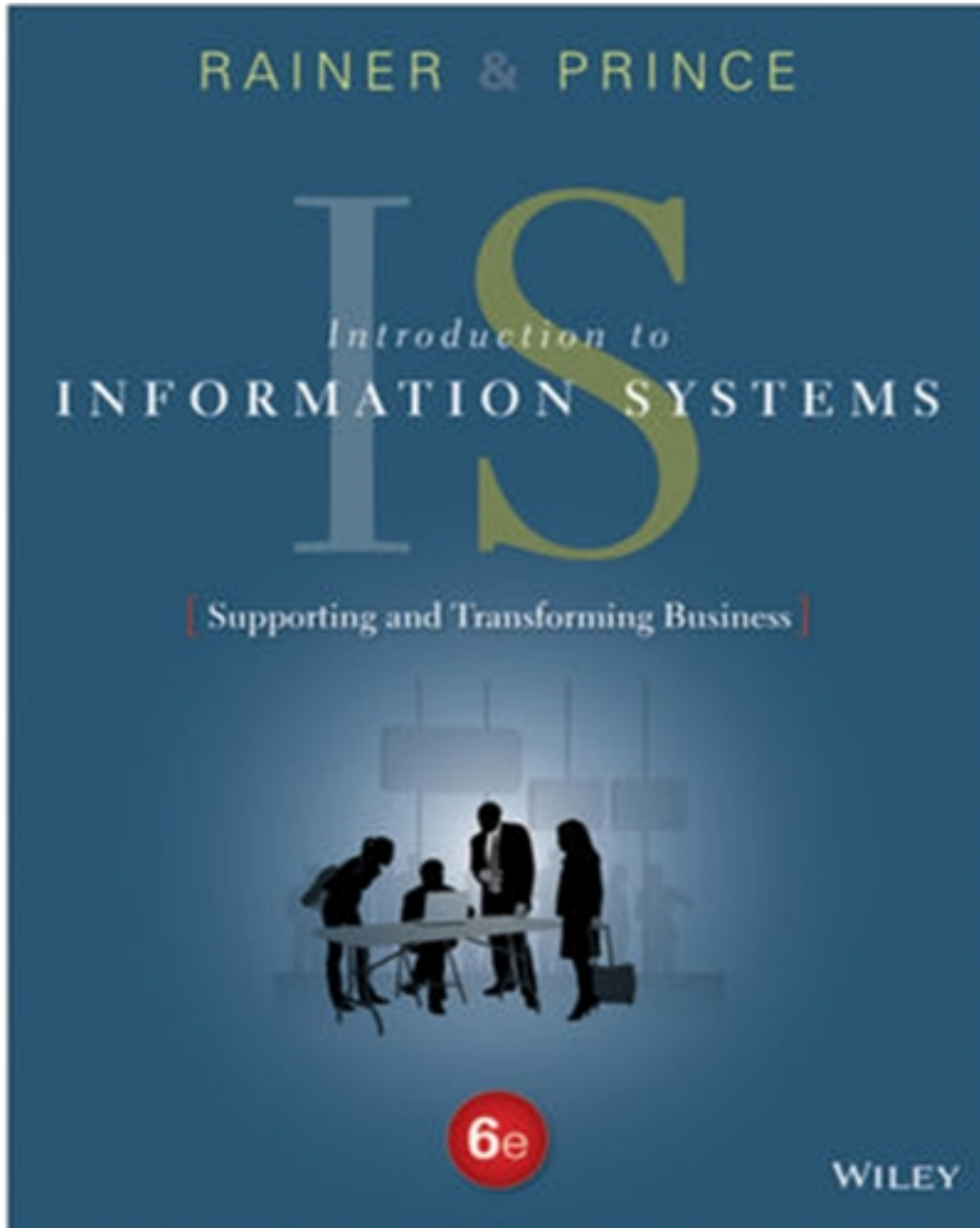


Test Bank for Introduction to Information Systems 6th Edition by Rainer

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Test Bank

Package Title: Test Bank

Course Title: Introduction to IS 6e

Chapter Number: 2

Answers in blue highlight

Question Type: Multiple Choice

1. Which of the following is NOT a service provided by GrubHub?

- A. 24/7 customer service
- B. Coupons
- C. Recommending healthy options
- D. Restaurant reviews

Answer: C

Difficulty: Medium

Section: Opening Case

Learning Objective: 1, 4

Bloom: Knowledge

AACSB: Information technology

2. Which of the following is NOT a benefit of GrubHub to restaurants?

- A. accurately predicting demand
- B. commission percentage
- C. free tablet
- D. managing orders

Answer: B

Difficulty: Easy

Section: Opening Case

Learning Objective: 1, 4

Bloom: Knowledge

AACSB: Information technology

3. _____ is a competitor of GrubHub.

- A. Amazon
- B. Boost
- C. Eat24
- D. Seamless

Answer: B

Difficulty: Medium

Section: Opening Case

Learning Objective: 1, 4

Bloom: Knowledge

AACSB: Information technology

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

Answer: A

Difficulty: Easy

Section: Introduction

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

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

Answer: A

Difficulty: Easy

Section: Introduction

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

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

Answer: A

Difficulty: Easy

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

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

Answer: A

Difficulty: Easy

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

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

Answer: A

Difficulty: Medium

Section: Business Processes

Learning Objective: 1

Bloom: Comprehension, Application

AACSB: Information technology

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

Answer: C

Difficulty: Medium

Section: Business Processes

Learning Objective: 1

Bloom: Comprehension, Application

AACSB: Information technology

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

Answer: D

Difficulty: Medium

Section: Business Processes

Learning Objective: 1

Bloom: Comprehension, Application

AACSB: Information technology

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

Answer: D

Difficulty: Hard

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

12. Procurement is NOT completed in this functional area:

- A. Accounting
- B. Purchasing
- C. Sales
- D. Warehouse

Answer: C

Difficulty: Easy

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

13. Fulfillment is triggered in the _____ department.

- A. Accounting
- B. Purchasing
- C. Sales
- D. Warehouse

Answer: C

Difficulty: Easy

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

14. Information systems do NOT play a vital role in _____.

- A. capturing and storing process data
- B. executing business processes
- C. monitoring process performance
- D. All of the above

Answer: D

Difficulty: Easy

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

15. RFID tags and bar codes are used in which process?

- A. capturing and storing process data
- B. executing a process

- C. monitoring process performance
- D. all of the above

Answer: A

Difficulty: Medium

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

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

Answer: A

Difficulty: Hard

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge, Application

AACSB: Information technology

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

Answer: A

Difficulty: Easy

Section: NASCAR Uses IT in Its Pre-Race Inspection

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

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

Answer: C

Difficulty: Medium

Section: NASCAR Uses IT in Its Pre-Race Inspection

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

19. Which of the following is NOT a benefit of NASCAR's pre-race inspection app?

- A. It makes it easier for race car drivers to ensure their cars pass inspection the first time.
- B. NASCAR executives can identify trends and patterns to help maintain a level playing field for all racers.
- C. NASCAR officials can drill down on any vehicle to review details about any pending issues.
- D. The pre-race inspection process has been simplified.

Answer: A

Difficulty: Easy

Section: NASCAR Uses IT in Its Pre-Race Inspection

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

20. _____ is the result of optimizing the design, development, and production processes.

- A. Cost reduction
- B. Differentiation
- C. Productivity
- D. Quality

Answer: D

Difficulty: Easy

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

21. _____ is the result of optimizing operations and supplier processes.

- A. Cost reduction
- B. Differentiation
- C. Productivity
- D. Quality

Answer: A

Difficulty: Easy

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

22. _____ is the result of optimizing the marketing and innovation processes.

- A. Cost reduction
- B. Differentiation
- C. Productivity

D. Quality

Answer: B

Difficulty: Easy

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

23. _____ is a methodology for achieving incremental improvements in the effectiveness and efficiency of a process.

A. BPI

B. BPM

C. BPR

D. BPS

Answer: A

Difficulty: Easy

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

24. _____ is the most difficult, radical, lengthy, and comprehensive strategy.

A. BPI

B. BPM

C. BPR

D. BPS

Answer: C

Difficulty: Easy

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

25. Six Sigma is a popular _____ methodology.

A. BPI

B. BPM

C. BPR

D. BPS

Answer: A

Difficulty: Easy

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

26. The _____ stage in BPI is characterized by establishing process metrics and monitoring the improved processes.

- A. Analysis
- B. Control**
- C. Improve
- D. Measure

Answer: B

Difficulty: Easy

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

27. Chevron employed _____ to provided detailed work instructions to its employees.

- A. Lean Six Sigma
- B. Nimbus**
- C. SAP
- D. Six Sigma

Answer: B

Difficulty: Medium

Section: IT's About Business: BPR, BPI, and BPM at Chevron

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

28. Chevron initially utilized _____ to improve their supply chain, followed by employee-driven _____ initiatives, and then adopted a unified _____ approach to standardize business processes.

- A. BPI, BPM, BPR
- B. BPM, BPI, BPR
- C. BPR, BPI, BPM**
- D. BPS, BPR, BPM

Answer: C

Difficulty: Easy

Section: IT's About Business: BPR, BPI, and BPM at Chevron

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

29. Chevron has used _____, a methodology that combines statistical process analysis with techniques to eliminate waste and improve process flow, since 2006.

- A. Lean Six Sigma
- B. Nimbus
- C. SAP
- D. Six Sigma

Answer: A

Difficulty: Medium

Section: IT's About Business: BPR, BPI, and BPM at Chevron

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

30. Which of the following is a type of societal/political/legal pressure?

- A. Carbon management
- B. Globalization
- C. Innovation
- D. Powerful customers

Answer: A

Difficulty: Easy

Section: Business Pressures, Organizational Responses, and Information Technology Support

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

31. Sarbanes-Oxley is an example of _____

- A. a government regulation
- B. customer focus
- C. an ethical issue
- D. our social responsibility

Answer: A

Difficulty: Easy

Section: Business Pressures, Organizational Responses, and Information Technology Support

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

32. Palantir is NOT primarily used for _____.

- A. detecting fraud
- B. identifying patterns
- C. pricing mortgages
- D. privacy protection

Answer: D

Difficulty: Hard

Section: Business Pressures, Organizational Responses, and Information Technology Support

Learning Objective: 3

Bloom: Comprehension

AACSB: Information technology

33. BYOD stands for

- A. Be Your Online Discussion
- B. Be Your Own Deadline
- C. Bring Your Online Decision
- D. Bring Your Own Device

Answer: D

Difficulty: Easy

Section: Business Pressures, Organizational Responses, and Information Technology Support

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

34. Which of the following is a problem with BYOD?

- A. Cost
- B. Productivity
- C. Satisfaction
- D. Security

Answer: D

Difficulty: Medium

Section: Business Pressures, Organizational Responses, and Information Technology Support

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

35. Banks have a lot of competition locally in addition to competing with online banks. This concept applies to _____.

- A. Bargaining power of buyers
- B. Bargaining power of suppliers
- C. Threat of entry of new competitors
- D. Threat of substitute products or services

Answer: A

Difficulty: Hard

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Application

AACSB: Information technology

36. The web _____ buyer power.

- A. decreases
- B. increases
- C. has no impact on
- D. has a mixed impact on

Answer: D

Difficulty: Medium

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Application

AACSB: Information technology

37. Which of the following is a support activity in Porter's value chain model?

- A. Customer service
- B. Human resource management**
- C. Logistics
- D. Operations

Answer: B

Difficulty: Medium

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Application

AACSB: Information technology

38. WalMart has a(n) _____ strategy.

- A. Cost leadership**
- B. Customer orientation
- C. Differentiation
- D. Innovation

Answer: A

Difficulty: Easy

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

39. Which of the following is TRUE?

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

Answer: B

Difficulty: Easy

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

40. Which of the following is NOT a characteristic of alignment?

- A. Organizations rotate business and IT professionals across departments and job functions
- B. Organizations create a vibrant and inclusive company culture

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

Answer: C

Difficulty: Easy

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

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

Answer: B

Difficulty: Easy

Section: IT's About Business: Solar-Powered Tablets in Ethiopia

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

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

Answer: D

Difficulty: Easy

Section: IT's About Business: Solar-Powered Tablets in Ethiopia

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

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

Answer: A

Difficulty: Easy

Section: IT's About Business: Solar-Powered Tablets in Ethiopia

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

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

Answer: B

Difficulty: Easy

Section: IT's About Business: The Weather Channel

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

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

Answer: C

Difficulty: Medium

Section: IT's About Business: The Weather Channel

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

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

Answer: D

Difficulty: Easy

Section: IT's About Business: The Weather Channel

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

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

Answer: C

Difficulty: Easy

Section: IT's About Business: The Weather Channel

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

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

Answer: D

Difficulty: Easy

Section: Closing Case

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

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

Answer: C

Difficulty: Easy

Section: Closing Case

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

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

Answer: C

Difficulty: Hard

Section: Closing Case

Learning Objective: 1

Bloom: Application

AACSB: Information technology

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

Answer: C

Difficulty: Easy

Section: Closing Case

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

Question Type: True/False

1. Effectiveness focuses on doing the right things.

Answer: True

Difficulty: Medium

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

2. Organizations adopt BPI to sustain BPM over time.

Answer: False

Difficulty: Easy

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

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

Answer: False

Difficulty: Easy

Section: IT's About Business: BPR, BPI, and BPM at Chevron

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

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

Answer: False

Difficulty: Easy

Section: Business Pressures, Organizational Responses, and Information Technology Support

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

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

Answer: False

Difficulty: Easy

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

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

Answer: True

Difficulty: Easy

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

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

Answer: True

Difficulty: Medium

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

Question Type: Fill-in-the-Blank

1. _____ are the people and equipment that perform process activities.

Answer: Resources

Difficulty: Easy

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge

AACSB: Information technology

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

Answer: management

Difficulty: Easy

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Knowledge

AACSB: Information technology

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

Answer: Customer

Difficulty: Easy

Section: Business Pressures, Organizational Responses, and Information Technology Support

Learning Objective: 3

Bloom: Knowledge

AACSB: Information technology

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

Answer: competitive advantage

Difficulty: Easy

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

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

Answer: IT function

Difficulty: Easy

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge

AACSB: Information technology

Question Type: Essay

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

Answer:

- 1) Executing the process

- a. Embedded/intertwined; Process fails without system working
 - b. Example – if the system is down, the company can't take orders
- 2) Capturing and storing process data
 - a. Sometimes happens inside the system but sometimes has to be entered into it
 - b. Example – analytics, decision-making systems
- 3) Monitoring process performance
 - a. Instance level (specific task) or process level (the whole process); evaluation
 - b. Example – making sure everything is running smoothly (dashboards)

Difficulty: Medium

Section: Business Processes

Learning Objective: 1

Bloom: Knowledge, Comprehension

AACSB: Written and oral communication, Information technology, Application of knowledge

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

Answer:

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

Difficulty: Easy (first question), Hard (second question)

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management

Learning Objective: 2

Bloom: Comprehension, Application

AACSB: Written and oral communication, Information technology, Application of knowledge

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

Answer:

- 1) Globalization
 - a. Positive = more customers because businesses can be everywhere
 - b. Negative = having to deal with many different cultures/needs
- 2) Changing Nature of the Workforce
 - a. Positive = access to many more people who couldn't work in the past
 - b. Negative = have to adjust environments to work with those people
- 3) Powerful Customers
 - a. Positive = getting a lot more feedback from customers
 - b. Negative = customers with bad experiences have a lot more power to influence potential customers in a bad way

Difficulty: Medium

Section: Business Pressures, Organizational Responses, and Information Technology Support

Learning Objective: 3

Bloom: Knowledge, Evaluation

AACSB: Written and oral communication, Analytical thinking, Information technology, Application of knowledge

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

Answer:

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

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

Difficulty: Medium

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge, Comprehension, Application

AACSB: Written and oral communication, Information technology, Application of knowledge

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

Answer:

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

Difficulty: Easy

Section: Competitive Advantage and Strategic Information Systems

Learning Objective: 4

Bloom: Knowledge, Comprehension, Application

AACSB: Written and oral communication, Information technology, Application of knowledge