Test Bank for Information Technology for Management 13th Edition by Turban, Pollard, Wood

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Test Bank Questions
Chapter #1: Harnessing the Power of Digital Transformation

Correct answers marked with an asterisk (*). Page numbers given are for the start of the section and *not* the location of the question.

True/False

Case 1.1 Opening Case
Cirque du Soleil Is Flying High Thanks to Its Post Pandemic Customer-Centric Digital Transformation
Page 2

1. The Cirque du Soleil Entertainment Group known worldwide for its world-class concerts.

True
*False

2. Cirque du Soleil has one touring show.

True
*False

Introduction
Page 3

3. Only larger companies are vulnerable to some type of digital disruption.

True
*False

Digital Transformation
Page 5

4. Digital transformation is usually initially driven by management's desire for a radical overhaul of business processes.

True
*False

Three Stages of Successful Digital Transformation
Page 5

5. Machine-to-machine (M2M) technologies are an easy-to-read, often single-page, real-time user interface, showing a graphical presentation of the current status and historical trends of an organization's key performance indicators to enable instantaneous and informed decisions to be made.

True
*False

Disruptive Digital Business Models
Page 7

6. Customer experience describes the cumulative impact of multiple interactions over the course of a customer's contact with an organization.

*True
False

7. Dropbox and LinkedIn are examples of the subscription business model.

True
*False

8. Digital business models refer to a set of capabilities enabled when physical things are connected to the Internet via sensors.

True
*False

Digital Transformation Services
Page 11

9. A virtual twin is a virtual model or representation of a physical object or system that uses data from sensors, big data technologies of other sources to reflect real-time performance, condition, or behavior of the object or system.

*True
False

Business Process Improvement and Competition
Page 13

10. The basic reason for a company to embark on its digital transformation is to gain a competitive advantage over its competitors.

*True
False

11. Influential industry leaders cite "new competition" as their biggest business challenge.

*True
False

12. Given that a company's success depends on the efficiency of its business processes, to achieve significant payoff, improvements in key processes needs to be large and significant.

True
*False

What Is a Business Process?
Page 13

13. KPIs are are tangible or intangible goods or services produced in a project and intended to be delivered to a customer.

True
*False

14. In the simplest terms, a business process consists of activities that convert inputs into outputs by doing work.

*True
False

15. Informal processes are needed for the situations involving safety, security, or compliance.

True
*False

Three Components of a Business Process
Page 14

16. An effective informal business process documents who will perform the tasks; what materials to use; and where, how, and when the tasks are to be performed.

True
*False

Improving Business Processes
Page 15

17. Designing an effective process can be complex because you need a deep understanding of the inputs and outputs, how things can go wrong, and how to prevent things from going wrong.

*True
False

18. Maximizing the use of inputs in order to carry out similar activities better than one's competitors is a critical success factor (CSF).

*True
False

Don't Automate, Obliterate!
Page 15

19. The goal of technology stack is to eliminate unnecessary, non-value-added processes and simplify and automate the remaining processes to significantly reduce cycle time, labor, and costs.

True
*False

20. Methods and efforts to simply automate existing processes are referred to a business process reengineering, or BPR.

True
*False

Social–Mobile–Analytics–Cloud (SMAC) Model
Page 18

21. Social–mobile–analytics–cloud (SMAC) is the concept that the convergence of four technologies is currently driving business innovation and digital transformation.

*True
False

Top IT Mega Trends
Page 20

22. One of the many benefits of cloud is that it provides the flexibility to acquire or expand connectivity and computing power as needed for operations, business transactions, and communication.

*True
False

23. Mega trends are forces that shape or create the future of business, the economy, and society.

*True
False

Cloud Computing
Page 20

24. Cloud computing eliminates the need to invest in hardware up front, so companies can develop and deploy applications faster.

*True
False

Machine-to-Machine Technology and IoT
Page 21

25. Machine-to-machine (M2M) technology enables sensor-embedded products to share reliable real-time data via satellite or optics.

True
*False

What’s in IT for You?
Page 24

26. IT is the foundation of the global economy.

*True
False

IT Enables a New Way of Working
Page 24

27. Currently, there are less than 200 million gig workers worldwide.

*True
False

Benefits of “Gig” Work
Page 25

28. Gig economy refers to the rise in contracted work—or “gigs”—that aren’t traditional jobs.

*True
False

29. The top reasons respondents gave for becoming gig workers in a recent survey was they wanted to be an independent contractor, freelancer, temporary worker or consultant (89%).

True
*False

30. Regardless of their work status, most gig workers appear to be highly satisfied with their work environment.

*True
False

Multiple Choice

Introduction
Page 3

1. Which of the following guide the process of planning, acquiring, building, modifying, and interfacing with deployed IT resources in a single department within an organization?

a) Legacy systems
*b) IT architectures
c) Data analytics
d) Technology stack
e) Digital transformation

2. One of the top concerns for information technology (IT) management is _____, a concept that is being embraced by forward-thinking managers and entrepreneurs to stay ahead of the competition, give them access to new markets, new customers, and new ways of doing business.

a) legacy systems
b) IT architectures
c) data analytics
d) technology stack
*e) digital transformation

3. Smart devices, mobile apps, sensors, and advanced _____ like blockchain, and generative artificial intelligence (Gen AI)—along with increased customer demand for digital interactions and on-demand and shared services—have moved commerce in fresh new directions.

a) legacy systems
b) IT architectures
c) data analytics
*d) technology stack
e) digital transformation

Digital Transformation
Page 5

4. Market conditions and technological innovations that are propelling the explosion of on-demand and shared services include all the following except:

a) smartphone-connected consumers
*b) private data centers
c) simple and secure purchasing flows
d) location-based services

Three Stages of Successful Digital Transformation
Page 5

5. _____ is a company's core strategy for making a profit. It defines the products and/or services it will sell, its target market, costs associated with doing business, and the company's ongoing plans for achieving its goals.

*a) Business model
b) Website
c) Data analytics
d) Technology stack

6. ________ is an easy-to-read, often single-page, real-time user interface, showing a graphical presentation of the current status and historical trends of an organization's key performance indicators to enable instantaneous and informed decisions to be made.

a) Predictions
*b) Dashboards
c) Digital models
d) Real-time reports

7. There are three stages of successful digital transformation. This stage focuses on simplifying and digitizing existing processes and functions.

a) Enterprise-Wide Transformation
b) Evaluation
c) New Business Creation
d) Digitalization
*e) Modernization

8. There are three stages of successful digital transformation. This stage is cross-functional and more complex. It is usually focused on improving existing processes and operations.

*a) Enterprise-Wide Transformation
b) Evaluation
c) New Business Creation
d) Digitalization
e) Modernization

9. There are three stages of successful digital transformation. This stage is where the total digital transformation happens. It challenges the existing processes, structures, and capabilities of the organization and requires redefining employee roles and operations.

a) Enterprise-Wide Transformation
b) Evaluation
*c) New Business Creation
d) Digitalization
e) Modernization

Figure 1.1
Page 6

10. There are three stages of successful digital transformation. Which of the following is Stage 1?

a) Enterprise-Wide Transformation
b) Evaluation
c) New Business Creation
d) Digitalization
*e) Modernization

11. There are three stages of successful digital transformation. Which of the following is Stage 2?

*a) Enterprise-Wide Transformation
b) Evaluation
c) New Business Creation
d) Digitalization
e) Modernization

12. There are three stages of successful digital transformation. Which of the following is Stage 3?

a) Enterprise-Wide Transformation
b) Evaluation
*c) New Business Creation
d) Digitalization
e) Modernization

Disruptive Digital Business Models
Page 7

13. A top concern of well-established corporations, global financial institutions, born-on-the-Web retailers, and government agencies is how to design their digital business models in order to do all of the following, except:

a) Deliver an incredible customer experience
b) Improve profitability
*c) Implement cloud computing
d) Increase market share

14. In the digital (online) space, there is a strong relationship between the quality of a firm's ________, which in turn increases revenue.

a) mobile apps and business transactions
b) IoT capabilities and KPIs
c) business model and marketing efforts
*d) customer experience and loyalty

15. ________ describes the cumulative impact of multiple interactions over the course of a customer's contact with an organization.

a) IT consumerization
b) Agility
c) Data analytics
*d) Customer Experience

Figure 1.2
Page 8

16. Customer pays monthly payment for continued access to a specific product/service.

*a) Subscription
b) Freemium
c) Free
d) Crowdfunding
e) Ecosystem

17. Customer gets “basic” or free verion of a product/service or a free trial. Has option to upgrade to a paid version of the product/service.

a) Subscription
*b) Freemium
c) Free
d) Crowdfunding
e) Ecosystem

18. Customer is the “product.” Customer data is the most valuable part of the business along with his/her attention for advertising purposes.

a) Subscription
b) Freemium
*c) Free
d) Crowdfunding
e) Ecosystem

19. Large number of individuals make donations to raise funds for a specific individual or cause.

a) Subscription
b) Freemium
c) Free
*d) Crowdfunding
e) Ecosystem

20. Customer is sold an interdependent suite of products/services that when purchased, increase in value based on how many are owned.

a) Subscription
b) Freemium
c) Free
d) Crowdfunding
*e) Ecosystem

Business Process Improvement and Competition
Page 13

21. All functions and departments in the enterprise have tasks that they need to complete to produce outputs or ________ in order to meet their ________.

*a) deliverables; objectives
b) business processes; budgets
c) milestones; deliverables
d) processes; business model

22. ________ is when an organization differentiates itself by charging less and creating and delivering better quality products or services than its competitors.

*a) Competitive advantage
b) Flexibility
c) Critical success factor
d) IT consumerization

23. Influential industry leaders cite ____________ as their largest business challenge in sustaining a competitive edge.

a) keeping up with technology
b) employee performance
c) economic climate
*d) new competition

24. IT agility, flexibility, and mobility are tightly interrelated and primarily dependent on:

*a) An organization's IT infrastructure and architecture
b) The IT division's strategic hiring and training practices
c) IT's integration with production and accounting units
d) Strategic alignment between IT budget and company mission statement

25. Using a combination of mobile and database technology, Pizza House keeps records of the pizza preferences of all its customers. When Sam orders from Pizza House, he only says "send me the usual" when he calls in his order; and hangs up. Accessing the database, the Pizza House worker knows his address, his usual order, and what credit card to bill. The streamlined ordering and fulfillment efficiency give the Pizza House __________.

a) A strategic plan
b) A strategic model
*c) A competitive advantage
d) A sustainably business edge

What Is a Business Process?
Page 13

26. Which of these is comprised of the activities that convert inputs into outputs by doing work?

a) Strategic activities
*b) Business processes
c) Planning activities
d) Competitive advantages

Three Components of a Business Process
Page 14

27. What are the basic components of business processes?

a) Inputs and outputs
b) Data, knowledge, and activities
c) People, technology, and outputs
*d) Inputs, activities, and deliverables

28. Routine formal processes are referred to as ________.

a) cross-functional processes
*b) standard operating procedures
c) business tasks
d) standardized transactions

Business Process Reengineering
Page 15

29. The goal of _________ is to eliminate unnecessary non–value added processes, then to simplify and automate the remaining processes to reduce cycle time, labor, and costs.

a) Strategic planning
*b) Business process reengineering
c) Real-time information systems
d) Business Intelligence

30. Applying IT to a manual or outdated process will ________.

a) maximize cycle time
*b) not optimize the process
c) eliminate wasted steps
d) improve the outputs

31. BPR is part of the larger discipline of ________, which consists of methods, tools, and technology to support and continuously improve business processes.

*a) business process management
b) cycle time reduction
c) business model optimization
d) standard operating procedures

Social–Mobile–Analytics–Cloud (SMAC) Model
Page 18

32. All of the following are examples of the influence of social, mobile, analytics, and cloud technologies except ________.

a) Connections and feedback via social networks have changed the balance of influence.
b) Customers expect to use location-aware services, apps, alerts, social networks, and the latest digital capabilities at work and outside work.
c) Customer loyalty and revenue growth depend on a business' ability to offer unique customer experiences that wow customers more than competitors can.
*d) Consumers are less likely to trust tweets from ordinary people than recommendations made by celebrity endorsements.

33. These consists of huge data centers accessible via the Internet that provide 24/7 access to storage, applications, and services to facilitate collaboration, synchronization and collection of data and created dedicated stakeholder portals.

*a) Cloud computing
b) Mobile devices
c) Social media channels
d) Data analytics
e) Edge computing

34. These personalize interfaces and services and push content to customers.

a) Cloud computing
*b) Mobile devices
c) Social media channels
d) Data analytics
e) Websites

35. These facilitate communication and enhance marketing efforts and customer relationship management.

a) Cloud computing
b) Mobile devices
*c) Social media channels
d) Data analytics
e) Phones

36. These allow businesses to leverage data by exploiting AI and machine learning to obtain statistics and gain meaningful insights to better understand customers, maintain machines, and automate processes.

a) Cloud computing
b) Mobile devices
c) Social media channels
*d) Data analytics
e) Statistics

Cloud Computing
Page 20

37. ______ is an Internet-based computing system consisting of many computers and other devices where computer infrastructure, access to applications, software, processing power, and so on are shared.

a) IT consumerization
b) Big data
c) Data analytics
*d) Cloud computing

Machine-to-Machine Technology and IoT
Page 21

38. Machine-to-machine (M2M) technology enables sensor-embedded products to share reliable real-time data ________.

a) over short distances
*b) via radio signals
c) using cloud services
d) via databases

39. ______ refers to a set of capabilities enabled when physical things are connected to the internet via sensors.

*a) Internet of Things
b) Cloud computing
c) Machine-to-machine technology
d) Business models

Benefits of "Gig" Work
Page 25

40. Instead of one paycheck, gig workers typically receive their income from how many diverse sources?

a) 2
*b) 3
c) 4
d) 5 or more

Top Tech Jobs
Page 29

41. According to the Robert Half Technology's 2024 IT Salary Report, which of the following are not one of the top tech jobs companies are seeking to fill?

a) Big data engineer
b) Applications architect
c) ERP integration manager
*d) Programmer
e) DevOps engineer

Short Answer

Section 1.1
Page 5

1. Name four disruptive business models and describe what they offer to their customers.

   Answers may vary. Technology innovations such as: cloud services, big data, mobility, digitization, and the IoT are likely to disrupt many industries and shake up competitive positions. Disruptive business models include:

   - On demand – products and services only as needed. For example, Netflix.
   - Sharing – products and services shared within community of customers, used only as needed. Airbnb.
   - Digital Subscription – repeated delivery of products and services offered to consumers at reduced cost or premium quality. Customers are billed periodically. Amazon.
   - Digital marketplace – buyers and sellers are connected on common platform. Ebay.
   - On demand and sharing models reduce consumer investment (buy vs. share, for example) and reduce ownership of underutilized assets.

Disruptive Digital Business Models
Page 7

2. Discuss the market conditions and technological innovations that have contributed to the development of the on-demand business model.

Answer

Several factors have contributed to the growth of the on-demand and sharing economy model. Smartphone-connected consumers require quick access to information and services. The newest generation is not likely to pick up a phone and call to make a request, rather, they are looking to tap an app and make their purchase. Simple and secure purchase flows guarantee the reliability of the apps used, assuring consumer confidence in the safety of their credit information. Location-based services guarantee that the information available is personalize to the user, to further save time and personalize the customer experience.

Don't Automate, Obliterate!
Page 15

3. What is the goal of business process reengineering (BPR)? Explain why simply applying IT to manual or outdated processes -- instead of reengineering those processes -- will not optimize them.

Answer

Methods and efforts to eliminate wasted steps within a process are referred to a business process reengineering (BPR). The goal of BPR is to eliminate the unnecessary non-value-added processes, then to simplify and automate the remaining processes to significantly reduce cycle time, labor, and costs. After unnecessary processes are identified and eliminated, the remaining ones are redesigned (or reengineered) in order to automate or streamline them. Simplifying processes naturally reduces the time needed to complete the process, which also cuts down on errors.

Applying IT to a manual or outdated process will not optimize it because improving processes starts with determining whether or not they are still necessary.