Chapter 01

The Information Age in Which You Live: Changing the Face of Business

**Multiple Choice Questions**

|  |  |  |  |  |  |  |  |  |  |
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| 1. | Why is technology considered "invasive"?

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| A.  | Technology is an integral part of our personal, as well as our professional lives. |

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| --- | --- |
| B.  | Technology has destroyed many values of society. |

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| --- | --- |
| C.  | It has forced certain businesses to shut down for good. |

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| --- | --- |
| D.  | Technology requires that employees work more than 40 hours per week. |

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| 2. | \_\_\_\_\_ deals with the planning for, development, management, and use of information technology tools to help people perform all tasks related to information processing and management.

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| --- | --- |
| A.  | Management by objectives |

|  |  |
| --- | --- |
| B.  | Management information system |

|  |  |
| --- | --- |
| C.  | Transaction processing system |

|  |  |
| --- | --- |
| D.  | Executive information system |

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| 3. | Data refers to \_\_\_\_.

|  |  |
| --- | --- |
| A.  | factual information that a person knows |

|  |  |
| --- | --- |
| B.  | raw facts that describe a particular phenomenon |

|  |  |
| --- | --- |
| C.  | knowledge acquired through study, experience or instruction |

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| --- | --- |
| D.  | information that have a particular meaning within a specific context |

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| 4. | Information refers to \_\_\_\_.

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| --- | --- |
| A.  | a message expressing an opinion based on incomplete evidence |

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| --- | --- |
| B.  | a collection of facts from which conclusions may be drawn |

|  |  |
| --- | --- |
| C.  | is data that have a particular meaning within a specific context |

|  |  |
| --- | --- |
| D.  | raw facts that describe a particular phenomenon |

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| 5. | What is the primary difference between data and information?

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| --- | --- |
| A.  | Information is processed to get data. |

|  |  |
| --- | --- |
| B.  | Data is processed to get information. |

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| --- | --- |
| C.  | Data, unlike information, is related to hardware. |

|  |  |
| --- | --- |
| D.  | Data is stored, information is not. |

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| 6. | You rent a Blu-ray disc of "A Clockwork Orange" for $25. This is an example of \_\_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | data |

|  |  |
| --- | --- |
| B.  | information |

|  |  |
| --- | --- |
| C.  | software |

|  |  |
| --- | --- |
| D.  | information system |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 7. | The average price of a movie ticket in the city of New York. is $8. This is an example of \_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | data |

|  |  |
| --- | --- |
| B.  | information |

|  |  |
| --- | --- |
| C.  | software |

|  |  |
| --- | --- |
| D.  | metadata |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 8. | The grade you earn for a specific college course is \_\_\_\_\_ and your overall GPA is \_\_\_\_.

|  |  |
| --- | --- |
| A.  | data; information |

|  |  |
| --- | --- |
| B.  | information; data |

|  |  |
| --- | --- |
| C.  | knowledge; business intelligence |

|  |  |
| --- | --- |
| D.  | business intelligence; information system |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 9. | \_\_\_\_\_ is collective information that gives you the ability to make effective, important, and often strategic decisions.

|  |  |
| --- | --- |
| A.  | Data |

|  |  |
| --- | --- |
| B.  | Knowledge |

|  |  |
| --- | --- |
| C.  | Information |

|  |  |
| --- | --- |
| D.  | Business intelligence (BI) |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 10. | The compilation of average SAT scores for students enrolled in your college, along with an analysis of enrollment information and a statistical analysis of these scores compared to competitive schools, is an example of \_\_\_\_.

|  |  |
| --- | --- |
| A.  | data |

|  |  |
| --- | --- |
| B.  | information |

|  |  |
| --- | --- |
| C.  | knowledge |

|  |  |
| --- | --- |
| D.  | business intelligence |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 11. | Information exhibits high quality only if:

|  |  |
| --- | --- |
| A.  | there is an abundance of it. |

|  |  |
| --- | --- |
| B.  | it leads to business intelligence. |

|  |  |
| --- | --- |
| C.  | it is pertinent, relevant, and useful to you. |

|  |  |
| --- | --- |
| D.  | you have access to it 24/7. |

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| 12. | Which of the following information quality attributes pertains to having access to information when one needs it?

|  |  |
| --- | --- |
| A.  | Timeliness |

|  |  |
| --- | --- |
| B.  | Form |

|  |  |
| --- | --- |
| C.  | Location |

|  |  |
| --- | --- |
| D.  | Relevance |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 13. | If the information coming into your decision-making process is in bad form, you'll more than likely make a poor decision. This concept is referred to as \_\_\_.

|  |  |
| --- | --- |
| A.  | first in never out (FINO) |

|  |  |
| --- | --- |
| B.  | first in first out (FIFO) |

|  |  |
| --- | --- |
| C.  | garbage-in-garbage-out (GIGO) |

|  |  |
| --- | --- |
| D.  | last in first out (LIFO) |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 14. | The concept of garbage-in-garbage-out (GIGO) relates to which information quality attribute?

|  |  |
| --- | --- |
| A.  | Timeliness |

|  |  |
| --- | --- |
| B.  | Location |

|  |  |
| --- | --- |
| C.  | Form |

|  |  |
| --- | --- |
| D.  | Authority |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 15. | Which quality attribute of information addresses the credibility of information?

|  |  |
| --- | --- |
| A.  | Weight |

|  |  |
| --- | --- |
| B.  | Validity |

|  |  |
| --- | --- |
| C.  | Application |

|  |  |
| --- | --- |
| D.  | Relevance |

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| 16. | AskSocrates is a Web site that provides definitions and descriptions of many concepts. AskSocrates is not peer-reviewed (a group of peers or experts do not verify the quality of information). Because of this, AskSocrates may not demonstrate which of the following quality attributes?

|  |  |
| --- | --- |
| A.  | Validity |

|  |  |
| --- | --- |
| B.  | Timeliness |

|  |  |
| --- | --- |
| C.  | Relevance |

|  |  |
| --- | --- |
| D.  | Form |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 17. | Within an organization, information flows in four basic directions. Which, among them, describes the current state of the organization based on its daily transactions?

|  |  |
| --- | --- |
| A.  | Downward |

|  |  |
| --- | --- |
| B.  | Upward |

|  |  |
| --- | --- |
| C.  | Horizontal |

|  |  |
| --- | --- |
| D.  | Outward/inward |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 18. | Information granularity refers to:

|  |  |
| --- | --- |
| A.  | the quantity of data within the information. |

|  |  |
| --- | --- |
| B.  | the quality of data within the information. |

|  |  |
| --- | --- |
| C.  | the frequency of data within the information. |

|  |  |
| --- | --- |
| D.  | the extent of detail within the information. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 19. | At lower organizational levels, information exhibits \_\_\_\_\_ granularity.

|  |  |
| --- | --- |
| A.  | unrefined |

|  |  |
| --- | --- |
| B.  | fine |

|  |  |
| --- | --- |
| C.  | concentrated |

|  |  |
| --- | --- |
| D.  | coarse |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 20. | At upper organizational levels, information exhibits \_\_\_\_\_ granularity.

|  |  |
| --- | --- |
| A.  | smooth |

|  |  |
| --- | --- |
| B.  | fine |

|  |  |
| --- | --- |
| C.  | coarse |

|  |  |
| --- | --- |
| D.  | distributed |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 21. | In a downward information flow, information:

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| --- | --- |
| A.  | originates at the lowest level of the organization and is passed downward through the various levels. |

|  |  |
| --- | --- |
| B.  | originates at a higher level and is passed to lower levels. |

|  |  |
| --- | --- |
| C.  | flows between functional business units and work teams. |

|  |  |
| --- | --- |
| D.  | is communicated from and to customers, suppliers, distributors, and other partners for the purpose of doing business. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 22. | If the marketing department were to pass information to the finance department, what type of information flow is this considered?

|  |  |
| --- | --- |
| A.  | Downward |

|  |  |
| --- | --- |
| B.  | Horizontal |

|  |  |
| --- | --- |
| C.  | Upward |

|  |  |
| --- | --- |
| D.  | Outward |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 23. | If a business sends information to its customers, suppliers, or distributors, what type of information flow is this considered?

|  |  |
| --- | --- |
| A.  | Horizontal |

|  |  |
| --- | --- |
| B.  | Upward |

|  |  |
| --- | --- |
| C.  | Downward |

|  |  |
| --- | --- |
| D.  | Outward/inward |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 24. | Which of the following is true of downward flow of information?

|  |  |
| --- | --- |
| A.  | The middle level of the organization develops strategies. |

|  |  |
| --- | --- |
| B.  | The lower levels of the organization convert the tactics into strategies. |

|  |  |
| --- | --- |
| C.  | The upper levels of the organization deal with the operational details. |

|  |  |
| --- | --- |
| D.  | The middle levels of an organization convert those strategies into tactics. |

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| 25. | Internal information:

|  |  |
| --- | --- |
| A.  | attempts to describe something that is unknown. |

|  |  |
| --- | --- |
| B.  | describes the environment surrounding the organization. |

|  |  |
| --- | --- |
| C.  | describes specific operational aspects of an organization. |

|  |  |
| --- | --- |
| D.  | quantifiably describes something that is known. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 26. | \_\_\_\_\_ information quantifiably describes something that is known.

|  |  |
| --- | --- |
| A.  | Internal |

|  |  |
| --- | --- |
| B.  | External |

|  |  |
| --- | --- |
| C.  | Subjective |

|  |  |
| --- | --- |
| D.  | Objective |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 27. | Subjective information:

|  |  |
| --- | --- |
| A.  | attempts to describe something that is unknown. |

|  |  |
| --- | --- |
| B.  | describes the environment surrounding the organization. |

|  |  |
| --- | --- |
| C.  | describes specific operational aspects of an organization. |

|  |  |
| --- | --- |
| D.  | quantifiably describes something that is known. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 28. | \_\_\_\_\_ information describes the environment surrounding the organization.

|  |  |
| --- | --- |
| A.  | Objective |

|  |  |
| --- | --- |
| B.  | Subjective |

|  |  |
| --- | --- |
| C.  | External |

|  |  |
| --- | --- |
| D.  | Internal |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 29. | If you offered your expert opinion about some expected outcome, what type of organizational information are you offering?

|  |  |
| --- | --- |
| A.  | External |

|  |  |
| --- | --- |
| B.  | Subjective |

|  |  |
| --- | --- |
| C.  | Objective |

|  |  |
| --- | --- |
| D.  | Judgment |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 30. | A bank in trying to decide the interest rate to offer on a CD, checks a Web source what rates other banks are offering. This information is considered as \_\_\_\_.

|  |  |
| --- | --- |
| A.  | internal |

|  |  |
| --- | --- |
| B.  | external |

|  |  |
| --- | --- |
| C.  | subjective |

|  |  |
| --- | --- |
| D.  | objective |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 31. | What is the single most important resource in any organization?

|  |  |
| --- | --- |
| A.  | Money |

|  |  |
| --- | --- |
| B.  | Opportunity |

|  |  |
| --- | --- |
| C.  | Technology |

|  |  |
| --- | --- |
| D.  | People |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 32. | A technology-literate knowledge worker:

|  |  |
| --- | --- |
| A.  | is a computer savvy worker |

|  |  |
| --- | --- |
| B.  | knows all computer programming languages |

|  |  |
| --- | --- |
| C.  | knows how and when to apply technology |

|  |  |
| --- | --- |
| D.  | is knowledgeable about emerging technology |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 33. | Which of the following is true of an information-literate knowledge worker?

|  |  |
| --- | --- |
| A.  | He knows how and where to obtain information. |

|  |  |
| --- | --- |
| B.  | He cannot define the information needed. |

|  |  |
| --- | --- |
| C.  | He understands the information before it is received. |

|  |  |
| --- | --- |
| D.  | He can transform business intelligence into information. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 34. | Ethics are:

|  |  |
| --- | --- |
| A.  | the set of laws established by the government. |

|  |  |
| --- | --- |
| B.  | promises of loyalty or allegiance to a cause or a person. |

|  |  |
| --- | --- |
| C.  | the principles and standards that guide our behavior toward other people. |

|  |  |
| --- | --- |
| D.  | a list of common religious customs and traditions. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 35. | Which of the following is true of ethics?

|  |  |
| --- | --- |
| A.  | Ethics and laws are the same. |

|  |  |
| --- | --- |
| B.  | Laws and ethics clearly require or prohibit an action. |

|  |  |
| --- | --- |
| C.  | Ethics are more subjective than laws. |

|  |  |
| --- | --- |
| D.  | Laws are more a matter of personal or cultural interpretation, unlike ethics. |

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| 36. | \_\_\_\_\_ refers to any computer-based tool that people use to work with information and support the information and information-processing needs of an organization.

|  |  |
| --- | --- |
| A.  | Information system |

|  |  |
| --- | --- |
| B.  | Information technology |

|  |  |
| --- | --- |
| C.  | Information superhighway |

|  |  |
| --- | --- |
| D.  | Information science |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 37. | \_\_\_\_\_ refers to the physical devices that make up a computer.

|  |  |
| --- | --- |
| A.  | Hardware |

|  |  |
| --- | --- |
| B.  | Software |

|  |  |
| --- | --- |
| C.  | Data |

|  |  |
| --- | --- |
| D.  | Information |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 38. | Which of the following terms is used to define the set of instructions that a computer executes to carry out a specific task for you?

|  |  |
| --- | --- |
| A.  | Software |

|  |  |
| --- | --- |
| B.  | Utilities |

|  |  |
| --- | --- |
| C.  | Hardware |

|  |  |
| --- | --- |
| D.  | Rules |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 39. | \_\_\_\_\_ is a tool you use to enter information and commands.

|  |  |
| --- | --- |
| A.  | An input device |

|  |  |
| --- | --- |
| B.  | An output device |

|  |  |
| --- | --- |
| C.  | A storage device |

|  |  |
| --- | --- |
| D.  | A connecting device |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 40. | What category of hardware technology does a speaker fall into?

|  |  |
| --- | --- |
| A.  | Input device |

|  |  |
| --- | --- |
| B.  | Telecommunications device |

|  |  |
| --- | --- |
| C.  | Connecting device |

|  |  |
| --- | --- |
| D.  | Output device |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 41. | Which of the following categories of technology allows you to see, hear, or recognize the results of your information-processing requests?

|  |  |
| --- | --- |
| A.  | Connecting device |

|  |  |
| --- | --- |
| B.  | Telecommunication device |

|  |  |
| --- | --- |
| C.  | Output device |

|  |  |
| --- | --- |
| D.  | CPU |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42. | If you were visiting Disney World and you used its touch-screen monitors to locate a restaurant, what type of hardware device would you be using?

|  |  |
| --- | --- |
| A.  | Output device |

|  |  |
| --- | --- |
| B.  | Connecting device |

|  |  |
| --- | --- |
| C.  | Input device |

|  |  |
| --- | --- |
| D.  | Storage device |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 43. | \_\_\_\_\_ is a tool you use to save information for use at a later time.

|  |  |
| --- | --- |
| A.  | An input device |

|  |  |
| --- | --- |
| B.  | An output device |

|  |  |
| --- | --- |
| C.  | A connecting device |

|  |  |
| --- | --- |
| D.  | A storage device |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 44. | The \_\_\_\_\_ is the hardware that interprets and executes the system and application software instructions and coordinates the operation of all the hardware.

|  |  |
| --- | --- |
| A.  | central processing unit (CPU) |

|  |  |
| --- | --- |
| B.  | digital versatile disc (DVD) |

|  |  |
| --- | --- |
| C.  | connecting unit |

|  |  |
| --- | --- |
| D.  | output unit |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 45. | \_\_\_\_\_ is a temporary holding area for the information you're working with as well as the system and application software instructions that the CPU currently needs.

|  |  |
| --- | --- |
| A.  | ROM |

|  |  |
| --- | --- |
| B.  | RAM |

|  |  |
| --- | --- |
| C.  | DVD |

|  |  |
| --- | --- |
| D.  | VCD |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 46. | Which of the following is a telecommunication device?

|  |  |
| --- | --- |
| A.  | Port |

|  |  |
| --- | --- |
| B.  | Cord |

|  |  |
| --- | --- |
| C.  | Satellite |

|  |  |
| --- | --- |
| D.  | Bar code scanner |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 47. | Which of the following is a connecting device?

|  |  |
| --- | --- |
| A.  | Modem |

|  |  |
| --- | --- |
| B.  | ROM |

|  |  |
| --- | --- |
| C.  | USB Port |

|  |  |
| --- | --- |
| D.  | Printer |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 48. | \_\_\_\_\_ enables you to solve specific problems and perform specific tasks.

|  |  |
| --- | --- |
| A.  | A Connecting device |

|  |  |
| --- | --- |
| B.  | An Operating System |

|  |  |
| --- | --- |
| C.  | System software |

|  |  |
| --- | --- |
| D.  | Application software |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 49. | Which of the following is an example of application software?

|  |  |
| --- | --- |
| A.  | Microsoft Word |

|  |  |
| --- | --- |
| B.  | Microsoft Windows XP |

|  |  |
| --- | --- |
| C.  | Microsoft Antivirus |

|  |  |
| --- | --- |
| D.  | Microsoft Vista |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 50. | Which of the following includes drivers for your printer and scanner and utility software?

|  |  |
| --- | --- |
| A.  | Payroll software |

|  |  |
| --- | --- |
| B.  | Collaborative software |

|  |  |
| --- | --- |
| C.  | System software |

|  |  |
| --- | --- |
| D.  | Application software |

 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 51. | \_\_\_\_\_ is the total of all costs that you incur whether or not you sell anything.

|  |  |
| --- | --- |
| A.  | Variable cost |

|  |  |
| --- | --- |
| B.  | Fixed cost |

|  |  |
| --- | --- |
| C.  | Marginal cost |

|  |  |
| --- | --- |
| D.  | Opportunity cost |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 52. | Companies like Amazon and eBay that only have a presence in the virtual world have significantly lower fixed costs in terms of retail space than companies that have to pay for retail space, like retail stores you would find in a mall. This technological concept is known as:

|  |  |
| --- | --- |
| A.  | VoIP. |

|  |  |
| --- | --- |
| B.  | telecommuting. |

|  |  |
| --- | --- |
| C.  | cloud computing. |

|  |  |
| --- | --- |
| D.  | digital storefronts. |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 53. | \_\_\_\_\_ allows you to use the Internet for making phone calls instead of leasing traditional telephone lines from the phone company.

|  |  |
| --- | --- |
| A.  | Digital storefronts |

|  |  |
| --- | --- |
| B.  | Telecommuting |

|  |  |
| --- | --- |
| C.  | VoIP |

|  |  |
| --- | --- |
| D.  | Cloud computing |

 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 54. | Which of the following is an IT-enabled variable cost reduction initiative?

|  |  |
| --- | --- |
| A.  | Telecommuting |

|  |  |
| --- | --- |
| B.  | VoIP |

|  |  |
| --- | --- |
| C.  | Cloud computing |

|  |  |
| --- | --- |
| D.  | Crowdsourcing |

 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 55. | Which of the following is an IT-enabled revenue increment initiative?

|  |  |
| --- | --- |
| A.  | Recommendation engines |

|  |  |
| --- | --- |
| B.  | Virtual goods |

|  |  |
| --- | --- |
| C.  | Cloud computing |

|  |  |
| --- | --- |
| D.  | Crowdsourcing |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 56. | Who developed the Five Forces Model?

|  |  |
| --- | --- |
| A.  | Michael Porter |

|  |  |
| --- | --- |
| B.  | Peter Drucker |

|  |  |
| --- | --- |
| C.  | Tom Peters |

|  |  |
| --- | --- |
| D.  | Abraham Maslow |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 57. | A loyalty program is:

|  |  |
| --- | --- |
| A.  | a program that rewards suppliers when delivery of products and services exceeds expectations. |

|  |  |
| --- | --- |
| B.  | an analysis of customers and their recurring purchasing habits with your business. |

|  |  |
| --- | --- |
| C.  | a reward system for customers based on the amount of business they do with your business. |

|  |  |
| --- | --- |
| D.  | a process of moving into a new market for a particular product or service. |

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| 58. | Businesses typically act as both buyers and suppliers. Which of the following is true regarding the goal of a company as a supplier organization in an industry?

|  |  |
| --- | --- |
| A.  | Buyer power and supplier power should be low. |

|  |  |
| --- | --- |
| B.  | Buyer power should be low and supplier power should be high. |

|  |  |
| --- | --- |
| C.  | Buyer power should be high and supplier power should be low. |

|  |  |
| --- | --- |
| D.  | Buyer power and supplier power should be high. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 59. | According to Porter, when there are many alternative products or services to the ones your business provides:

|  |  |
| --- | --- |
| A.  | threat of substitute products or services is high. |

|  |  |
| --- | --- |
| B.  | supplier power is high. |

|  |  |
| --- | --- |
| C.  | buyer power is low. |

|  |  |
| --- | --- |
| D.  | threat of substitute products or services is low. |

 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 60. | To minimize the threat of substitute products or services, some businesses will create switching costs. What are switching costs?

|  |  |
| --- | --- |
| A.  | The start-up costs incurred when replacing old technology with new |

|  |  |
| --- | --- |
| B.  | The costs incurred due to the inability to switch back to your first brand after moving to an alternative brand |

|  |  |
| --- | --- |
| C.  | A non-refundable fine levied against the customer for switching to a competitor |

|  |  |
| --- | --- |
| D.  | The costs that make customers reluctant to another project or service supplier |

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 61. | Mary wishes to upgrade her current home communications system. She wants to replace her current Internet, TV, and phone to a fiber optics system. As a buyer, Mary needs to consider the \_\_\_.

|  |  |
| --- | --- |
| A.  | threat of new entrants |

|  |  |
| --- | --- |
| B.  | switching costs |

|  |  |
| --- | --- |
| C.  | entry barriers |

|  |  |
| --- | --- |
| D.  | first-mover advantages |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 62. | Which of the following has the highest threat of substitution?

|  |  |
| --- | --- |
| A.  | A Patek Philippe watch |

|  |  |
| --- | --- |
| B.  | A YSL perfume |

|  |  |
| --- | --- |
| C.  | Bentley Continental GT |

|  |  |
| --- | --- |
| D.  | Lifebuoy soap |

 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 63. | Doodle Corp. wants to increase customer loyalty toward its currently one-of-a-kind software, Bonkers EP. It does so by offering additional services like automatic updates and free upgrades. Which of the following forces in Porter's model is Doodle Corp. addressing in this situation?

|  |  |
| --- | --- |
| A.  | Threat of substitute products or services |

|  |  |
| --- | --- |
| B.  | Threat of new entrants |

|  |  |
| --- | --- |
| C.  | Buyer power |

|  |  |
| --- | --- |
| D.  | Supplier power |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 64. | According to Porter's Five Forces Model, the rivalry among existing competitors is high when:

|  |  |
| --- | --- |
| A.  | competition is more complacent in a market. |

|  |  |
| --- | --- |
| B.  | supplier power is high in a market. |

|  |  |
| --- | --- |
| C.  | buyer power is low in a market. |

|  |  |
| --- | --- |
| D.  | competition is fierce in a market. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 65. | In the soft drink industry, Coca Cola, Pepsi, and Dr Pepper Snapple Group would be categorized under which of the following forces in Porter's model?

|  |  |
| --- | --- |
| A.  | Rivalry among existing rivals |

|  |  |
| --- | --- |
| B.  | Buyer power |

|  |  |
| --- | --- |
| C.  | Supplier power |

|  |  |
| --- | --- |
| D.  | Competition from new entrants |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 66. | \_\_\_\_\_ is defined by Porter as offering the same or better quality product or service at a price that is less than what any of the competition is able to do.

|  |  |
| --- | --- |
| A.  | Overall cost leadership |

|  |  |
| --- | --- |
| B.  | Price differentiation |

|  |  |
| --- | --- |
| C.  | Product differentiation |

|  |  |
| --- | --- |
| D.  | Focus |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 67. | Which of the following auto manufacturers use an overall cost leadership strategy?

|  |  |
| --- | --- |
| A.  | Mercedes Benz |

|  |  |
| --- | --- |
| B.  | Hyundai |

|  |  |
| --- | --- |
| C.  | Rolls-Royce |

|  |  |
| --- | --- |
| D.  | Aston Martin |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 68. | If you were to create a unique industry Web site for your customers that allowed them to build virtual communities with other customers by sharing information, how would you be enhancing your competitive strategy?

|  |  |
| --- | --- |
| A.  | Through focus |

|  |  |
| --- | --- |
| B.  | Through overall cost leadership |

|  |  |
| --- | --- |
| C.  | Through loyalty enhancement |

|  |  |
| --- | --- |
| D.  | Through differentiation |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 69. | Carrio Arrento, a car rental company, operates in two cities and offers low-rental cars specifically to college students from these areas. This is an example of a(n) \_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | overall cost leadership strategy |

|  |  |
| --- | --- |
| B.  | focus strategy |

|  |  |
| --- | --- |
| C.  | loyalty program |

|  |  |
| --- | --- |
| D.  | entry barrier |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 70. | \_\_\_\_\_ is an approach in which you allocate in terms of percentages how you will spend your IT dollars on various types of business strategies.

|  |  |
| --- | --- |
| A.  | Tactical information planning (TIP) |

|  |  |
| --- | --- |
| B.  | Strategic technology planning (STP) |

|  |  |
| --- | --- |
| C.  | Run-grow-transform (RGT) framework |

|  |  |
| --- | --- |
| D.  | Transforming IS strategy (TISS) |

 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 71. | Your business had two strategic initiatives this year. One initiative focused on improving customer satisfaction. The second focused on providing customers with their purchase history from any Internet site in the world. If you were to allocate 15% of your IT budget to the first initiative and 25% to the second initiative, what type of strategy are you applying?

|  |  |
| --- | --- |
| A.  | Tactical information planning (TIP) |

|  |  |
| --- | --- |
| B.  | Strategic technology planning (STP) |

|  |  |
| --- | --- |
| C.  | Transforming IS strategy (TISS) |

|  |  |
| --- | --- |
| D.  | Run-grow-transform (RGT) framework |

 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 72. | Under the RGT framework, which of the following strategies applies to a business that offers products and services faster and cheaper than the competition?

|  |  |
| --- | --- |
| A.  | Gain |

|  |  |
| --- | --- |
| B.  | Run |

|  |  |
| --- | --- |
| C.  | Grow |

|  |  |
| --- | --- |
| D.  | Transform |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 73. | Under the RGT framework, which of the following strategies applies to a business that increases their customer base by taking it from the competition?

|  |  |
| --- | --- |
| A.  | Grow |

|  |  |
| --- | --- |
| B.  | Run |

|  |  |
| --- | --- |
| C.  | Transcend |

|  |  |
| --- | --- |
| D.  | Transform |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 74. | Under the RGT framework, which of the following strategies innovates business processes and/or products and services in a completely new way, moving into seemingly different markets?

|  |  |
| --- | --- |
| A.  | Transcend |

|  |  |
| --- | --- |
| B.  | Run |

|  |  |
| --- | --- |
| C.  | Transform |

|  |  |
| --- | --- |
| D.  | Grow |

 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 75. | The "run" strategy in the RGT framework is similar in many ways to which of Porter's generic strategies?

|  |  |
| --- | --- |
| A.  | Overall cost leadership strategy |

|  |  |
| --- | --- |
| B.  | Focus strategy |

|  |  |
| --- | --- |
| C.  | Product differentiation strategy |

|  |  |
| --- | --- |
| D.  | Price differentiation strategy |

 |

**True / False Questions**

|  |  |
| --- | --- |
| 76. | Management information systems deal with the use of information technology tools to help people perform tasks related to information processing.  True    False |

|  |  |
| --- | --- |
| 77. | The three important organizational resources involved in management information systems include - information, information technology, and people.  True    False |

|  |  |
| --- | --- |
| 78. | Data and information are the same.  True    False |

|  |  |
| --- | --- |
| 79. | Data is information that has been processed in some way.  True    False |

|  |  |
| --- | --- |
| 80. | A statement that the average daily wage of all the construction workers in New York is $350 is an example of information.  True    False |

|  |  |
| --- | --- |
| 81. | Business intelligence refers solely to information about your competitors.  True    False |

|  |  |
| --- | --- |
| 82. | Information exhibits high quality only if it is pertinent, relevant, and useful to you.  True    False |

|  |  |
| --- | --- |
| 83. | Information is of no value to you if you can't access it.  True    False |

|  |  |
| --- | --- |
| 84. | If the information coming into your decision-making process is in bad form, you'll more than likely make a poor decision.  True    False |

|  |  |
| --- | --- |
| 85. | At upper organizational levels, information exhibits fine granularity because people need to work with information in great detail.  True    False |

|  |  |
| --- | --- |
| 86. | The horizontal flow of information consists of information that is communicated to customers, suppliers, distributors, and other partners for the purpose of doing business.  True    False |

|  |  |
| --- | --- |
| 87. | Objective information attempts to describe something that is unknown.  True    False |

|  |  |
| --- | --- |
| 88. | A technology-literate knowledge worker knows how and when to apply technology.  True    False |

|  |  |
| --- | --- |
| 89. | An information-literate knowledge worker can transform the information into business intelligence.  True    False |

|  |  |
| --- | --- |
| 90. | Copying software so that your neighbor can install it on his/her machine is completely legal and ethical, unless you charge a fee for the software.  True    False |

|  |  |
| --- | --- |
| 91. | Hardware consists of the instructions executed by the computer to complete a specific task.  True    False |

|  |  |
| --- | --- |
| 92. | Output devices include such tools as printer, monitor, and speakers.  True    False |

|  |  |
| --- | --- |
| 93. | DVD is a temporary holding space for data and software.  True    False |

|  |  |
| --- | --- |
| 94. | If you connect to the Internet using a modem, the modem is a telecommunications device.  True    False |

|  |  |
| --- | --- |
| 95. | Software such as Microsoft Word, Excel, PowerPoint, or Access are examples of utility software.  True    False |

|  |  |
| --- | --- |
| 96. | Fixed costs can include utilities, insurance, and employee salaries.  True    False |

|  |  |
| --- | --- |
| 97. | VoIP allows you to use the Internet for making phone calls instead of leasing traditional telephone lines from the phone company.  True    False |

|  |  |
| --- | --- |
| 98. | With cloud computing, you can buy hardware infrastructure like servers or perhaps software site licenses.  True    False |

|  |  |
| --- | --- |
| 99. | Technology helps reduce fixed costs though crowdsourcing.  True    False |

|  |  |
| --- | --- |
| 100. | Porter's Five Forces Model helps business people understand the relative attractiveness of an industry and the industry's competitive pressures.  True    False |

|  |  |
| --- | --- |
| 101. | Buyer power in the Five Forces Model is low when buyers have many choices from whom to buy.  True    False |

|  |  |
| --- | --- |
| 102. | Supplier power in the Five Forces Model is high when buyers have few choices from whom to buy.  True    False |

|  |  |
| --- | --- |
| 103. | Switching costs are almost exclusively monetary costs.  True    False |

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| --- | --- |
| 104. | In the Five Forces Model, the threat of new entrants is high when it is easy for new competitors to enter a market.  True    False |

|  |  |
| --- | --- |
| 105. | Walmart is a well-known example of the strategy of overall cost.  True    False |

|  |  |
| --- | --- |
| 106. | All the generic strategies defined by Porter can be practiced in isolation.  True    False |

|  |  |
| --- | --- |
| 107. | The "Grow" aspect of the RGT framework seeks organizational growth through new and different means.  True    False |

**Fill in the Blank Questions**

|  |  |
| --- | --- |
| 108. | \_\_\_\_\_ deals with the planning for, development, management, and use of information technology tools to help people perform all tasks related to information processing and management.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 109. | Management information systems deal with three organizational resources - information, \_\_\_\_, and information technology.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 110. | \_\_\_\_\_ are raw facts that describe a particular phenomenon.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 111. | \_\_\_\_\_ is data that have a particular meaning within a specific context.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 112. | \_\_\_\_\_ is collective information that gives you the ability to make effective, important, and often strategic decisions.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 113. | Information exhibits high quality only if it is \_\_\_\_, relevant, and useful to you.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 114. | An example of \_\_\_\_\_ is when information you need to make a decision comes to you in a bad form.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 115. | The \_\_\_\_\_ attribute of information addresses the credibility of information.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 116. | The \_\_\_\_\_ flow of information consists of information that describes the current state of the organization based on its daily transactions.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 117. | \_\_\_\_\_ refers to the extent of detail within the information.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 118. | At the upper organizational levels, information becomes \_\_\_\_\_ because it is summarized or aggregated in some way.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 119. | \_\_\_\_\_ information describes the environment surrounding the organization.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 120. | \_\_\_\_\_ information attempts to describe something that is unknown.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 121. | \_\_\_\_\_ are the single most important resource in any organization.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
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| 122. | A(n) \_\_\_\_\_ person knows how and when to apply technology, while a(n) \_\_\_\_\_ person understands what information is needed and how to obtain that information.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

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| 123. | \_\_\_\_\_ are the principles and standards that guide our behavior toward other people.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

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| 124. | \_\_\_\_\_ refers to any computer-based tool that people use to work with information and support the information and information-processing needs of an organization.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

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| 125. | \_\_\_\_\_ is the set of instructions that your hardware executes to carry out a specific task.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
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| 126. | A(n) \_\_\_\_\_ is a tool you use to see, hear, or otherwise accept the results of your information-processing requests.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

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| 127. | The \_\_\_\_\_ is the hardware component that interprets and executes software.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 128. | \_\_\_\_\_ handles tasks specific to technology management and coordinates the interaction of all technology devices.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

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| 129. | \_\_\_\_\_ is the total of all costs that you incur whether or not you sell anything.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
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| 130. | \_\_\_\_\_ allows you to use the Internet for making phone calls instead of leasing traditional telephone lines from the phone company.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 131. | Using \_\_\_\_, you get non-paid non-employees to do your work.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

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| 132. | A(n) \_\_\_\_\_ is providing a product or service in a way that customers value more than what your competition is able to do.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 133. | Buyer power is \_\_\_\_\_ when buyers have many choices from whom to buy, and \_\_\_\_\_ when their choices are few.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 134. | \_\_\_\_\_ is a significant impact on gaining market share by being the first to market with a competitive advantage.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 135. | As a supplier organization in an industry, you want buyer power to be \_\_\_\_\_ and your supplier power to be \_\_\_\_.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 136. | A(n) \_\_\_\_\_ is a product or service feature that customers have come to expect from organizations in a particular industry and that must be offered by an entering organization to compete and survive.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 137. | \_\_\_\_\_ is defined by Porter as offering the same or better quality product or service at a price that is less than what any of the competition is able to do.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
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| 138. | \_\_\_\_\_ is defined by Porter as offering a product or service that is perceived as being "unique" in the marketplace.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 139. | As with the other generic strategies defined by Porter, \_\_\_\_\_ cannot be practiced in isolation.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| 140. | The \_\_\_\_\_ is an approach in which you allocate in terms of percentages how you will spend your IT dollars on various types of business strategies.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

Chapter 01 The Information Age in Which You Live: Changing the Face of Business Answer Key

**Multiple Choice Questions**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. | Why is technology considered "invasive"?

|  |  |
| --- | --- |
| **A.**  | Technology is an integral part of our personal, as well as our professional lives. |

|  |  |
| --- | --- |
| B.  | Technology has destroyed many values of society. |

|  |  |
| --- | --- |
| C.  | It has forced certain businesses to shut down for good. |

|  |  |
| --- | --- |
| D.  | Technology requires that employees work more than 40 hours per week. |

We live in the "digital age," where we live, work, learn, play, drive, network, eat, and shop in a digital world. The influence of technology permeates everything we do. Every part of our life depends on technology. Therefore, technology is so pervasive in our life it is often considered "invasive." |

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| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: Introduction* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2. | \_\_\_\_\_ deals with the planning for, development, management, and use of information technology tools to help people perform all tasks related to information processing and management.

|  |  |
| --- | --- |
| A.  | Management by objectives |

|  |  |
| --- | --- |
| **B.**  | Management information system |

|  |  |
| --- | --- |
| C.  | Transaction processing system |

|  |  |
| --- | --- |
| D.  | Executive information system |

Management information systems (MIS) deals with the planning for, development, management, and use of information technology tools to help people perform all tasks related to information processing and management. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: Introduction* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 3. | Data refers to \_\_\_\_.

|  |  |
| --- | --- |
| A.  | factual information that a person knows |

|  |  |
| --- | --- |
| **B.**  | raw facts that describe a particular phenomenon |

|  |  |
| --- | --- |
| C.  | knowledge acquired through study, experience or instruction |

|  |  |
| --- | --- |
| D.  | information that have a particular meaning within a specific context |

Data are raw facts that describe a particular phenomenon such as the current temperature, the price of a movie rental, or your age. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 4. | Information refers to \_\_\_\_.

|  |  |
| --- | --- |
| A.  | a message expressing an opinion based on incomplete evidence |

|  |  |
| --- | --- |
| B.  | a collection of facts from which conclusions may be drawn |

|  |  |
| --- | --- |
| **C.**  | is data that have a particular meaning within a specific context |

|  |  |
| --- | --- |
| D.  | raw facts that describe a particular phenomenon |

Information is data that have a particular meaning within a specific context. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 5. | What is the primary difference between data and information?

|  |  |
| --- | --- |
| A.  | Information is processed to get data. |

|  |  |
| --- | --- |
| **B.**  | Data is processed to get information. |

|  |  |
| --- | --- |
| C.  | Data, unlike information, is related to hardware. |

|  |  |
| --- | --- |
| D.  | Data is stored, information is not. |

Information is data that have a particular meaning within a specific context. It is processed data. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 6. | You rent a Blu-ray disc of "A Clockwork Orange" for $25. This is an example of \_\_\_\_\_\_.

|  |  |
| --- | --- |
| **A.**  | data |

|  |  |
| --- | --- |
| B.  | information |

|  |  |
| --- | --- |
| C.  | software |

|  |  |
| --- | --- |
| D.  | information system |

Data are raw facts that describe a particular phenomenon such as the current temperature, the price of a movie rental, or your age. |

|  |
| --- |
| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 3 HardTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 7. | The average price of a movie ticket in the city of New York. is $8. This is an example of \_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | data |

|  |  |
| --- | --- |
| **B.**  | information |

|  |  |
| --- | --- |
| C.  | software |

|  |  |
| --- | --- |
| D.  | metadata |

Information is data that have a particular meaning within a specific context. The current temperature becomes information if you're deciding what to wear; in deciding what to wear, the data describing the price of a movie rental are not pertinent information (and therefore only data in that context). The price of a ticket at a theater in a city would be data but the average price of a ticket at theaters in the city (in this case, New York) is information. |

|  |
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| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 3 HardTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 8. | The grade you earn for a specific college course is \_\_\_\_\_ and your overall GPA is \_\_\_\_.

|  |  |
| --- | --- |
| **A.**  | data; information |

|  |  |
| --- | --- |
| B.  | information; data |

|  |  |
| --- | --- |
| C.  | knowledge; business intelligence |

|  |  |
| --- | --- |
| D.  | business intelligence; information system |

Data are raw facts that describe a particular phenomenon such as the current temperature, the price of a movie rental, or your age. Information is data that have a particular meaning within a specific context. |

|  |
| --- |
| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 3 HardTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 9. | \_\_\_\_\_ is collective information that gives you the ability to make effective, important, and often strategic decisions.

|  |  |
| --- | --- |
| A.  | Data |

|  |  |
| --- | --- |
| B.  | Knowledge |

|  |  |
| --- | --- |
| C.  | Information |

|  |  |
| --- | --- |
| **D.**  | Business intelligence (BI) |

Business intelligence (BI) is collective information that gives you the ability to make effective, important, and often strategic decisions. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 10. | The compilation of average SAT scores for students enrolled in your college, along with an analysis of enrollment information and a statistical analysis of these scores compared to competitive schools, is an example of \_\_\_\_.

|  |  |
| --- | --- |
| A.  | data |

|  |  |
| --- | --- |
| B.  | information |

|  |  |
| --- | --- |
| C.  | knowledge |

|  |  |
| --- | --- |
| **D.**  | business intelligence |

Business intelligence (BI) is collective information that gives you the ability to make effective, important, and often strategic decisions. |

|  |
| --- |
| *AACSB: Information as a Key ResourceAACSB: Reflective ThinkingBlooms: CreateLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 3 HardTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 11. | Information exhibits high quality only if:

|  |  |
| --- | --- |
| A.  | there is an abundance of it. |

|  |  |
| --- | --- |
| B.  | it leads to business intelligence. |

|  |  |
| --- | --- |
| **C.**  | it is pertinent, relevant, and useful to you. |

|  |  |
| --- | --- |
| D.  | you have access to it 24/7. |

Information exhibits high quality only if it is pertinent, relevant, and useful to you. |

|  |
| --- |
| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 12. | Which of the following information quality attributes pertains to having access to information when one needs it?

|  |  |
| --- | --- |
| **A.**  | Timeliness |

|  |  |
| --- | --- |
| B.  | Form |

|  |  |
| --- | --- |
| C.  | Location |

|  |  |
| --- | --- |
| D.  | Relevance |

Timeliness covers two aspects: if you have access to information when you need it and if the information describes the time period or periods you're considering. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 13. | If the information coming into your decision-making process is in bad form, you'll more than likely make a poor decision. This concept is referred to as \_\_\_.

|  |  |
| --- | --- |
| A.  | first in never out (FINO) |

|  |  |
| --- | --- |
| B.  | first in first out (FIFO) |

|  |  |
| --- | --- |
| **C.**  | garbage-in-garbage-out (GIGO) |

|  |  |
| --- | --- |
| D.  | last in first out (LIFO) |

If the information coming into your decision-making process is in bad form (i.e., garbage-in), you'll more than likely make a poor decision (i.e., garbage-out). This is the concept of garbage-in garbage-out (GIGO). |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 14. | The concept of garbage-in-garbage-out (GIGO) relates to which information quality attribute?

|  |  |
| --- | --- |
| A.  | Timeliness |

|  |  |
| --- | --- |
| B.  | Location |

|  |  |
| --- | --- |
| **C.**  | Form |

|  |  |
| --- | --- |
| D.  | Authority |

The concept of garbage-in-garbage-out (GIGO) is an aspect of the form attribute. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 15. | Which quality attribute of information addresses the credibility of information?

|  |  |
| --- | --- |
| A.  | Weight |

|  |  |
| --- | --- |
| **B.**  | Validity |

|  |  |
| --- | --- |
| C.  | Application |

|  |  |
| --- | --- |
| D.  | Relevance |

Validity addresses the credibility of information. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16. | AskSocrates is a Web site that provides definitions and descriptions of many concepts. AskSocrates is not peer-reviewed (a group of peers or experts do not verify the quality of information). Because of this, AskSocrates may not demonstrate which of the following quality attributes?

|  |  |
| --- | --- |
| **A.**  | Validity |

|  |  |
| --- | --- |
| B.  | Timeliness |

|  |  |
| --- | --- |
| C.  | Relevance |

|  |  |
| --- | --- |
| D.  | Form |

Validity addresses the credibility of information. As information is all over the Internet, one needs to check if it came from a credible source. |

|  |
| --- |
| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 3 HardTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 17. | Within an organization, information flows in four basic directions. Which, among them, describes the current state of the organization based on its daily transactions?

|  |  |
| --- | --- |
| A.  | Downward |

|  |  |
| --- | --- |
| **B.**  | Upward |

|  |  |
| --- | --- |
| C.  | Horizontal |

|  |  |
| --- | --- |
| D.  | Outward/inward |

Upward information flows describe the current state of the organization based on its daily transactions. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 18. | Information granularity refers to:

|  |  |
| --- | --- |
| A.  | the quantity of data within the information. |

|  |  |
| --- | --- |
| B.  | the quality of data within the information. |

|  |  |
| --- | --- |
| C.  | the frequency of data within the information. |

|  |  |
| --- | --- |
| **D.**  | the extent of detail within the information. |

Information granularity refers to the extent of detail within the information. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 19. | At lower organizational levels, information exhibits \_\_\_\_\_ granularity.

|  |  |
| --- | --- |
| A.  | unrefined |

|  |  |
| --- | --- |
| **B.**  | fine |

|  |  |
| --- | --- |
| C.  | concentrated |

|  |  |
| --- | --- |
| D.  | coarse |

At lower organizational levels, information exhibits fine granularity because people need to work with information in great detail. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 20. | At upper organizational levels, information exhibits \_\_\_\_\_ granularity.

|  |  |
| --- | --- |
| A.  | smooth |

|  |  |
| --- | --- |
| B.  | fine |

|  |  |
| --- | --- |
| **C.**  | coarse |

|  |  |
| --- | --- |
| D.  | distributed |

At the upper organizational levels, information becomes coarser because it is summarized or aggregated in some way. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 21. | In a downward information flow, information:

|  |  |
| --- | --- |
| A.  | originates at the lowest level of the organization and is passed downward through the various levels. |

|  |  |
| --- | --- |
| **B.**  | originates at a higher level and is passed to lower levels. |

|  |  |
| --- | --- |
| C.  | flows between functional business units and work teams. |

|  |  |
| --- | --- |
| D.  | is communicated from and to customers, suppliers, distributors, and other partners for the purpose of doing business. |

Strategies, goals, and directives that originate at a higher level are passed to lower levels in downward information flows. |

|  |
| --- |
| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 22. | If the marketing department were to pass information to the finance department, what type of information flow is this considered?

|  |  |
| --- | --- |
| A.  | Downward |

|  |  |
| --- | --- |
| **B.**  | Horizontal |

|  |  |
| --- | --- |
| C.  | Upward |

|  |  |
| --- | --- |
| D.  | Outward |

Information flows horizontally between functional business units and work teams. |

|  |
| --- |
| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 3 HardTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 23. | If a business sends information to its customers, suppliers, or distributors, what type of information flow is this considered?

|  |  |
| --- | --- |
| A.  | Horizontal |

|  |  |
| --- | --- |
| B.  | Upward |

|  |  |
| --- | --- |
| C.  | Downward |

|  |  |
| --- | --- |
| **D.**  | Outward/inward |

In outward/inward flow, information is communicated from and to customers, suppliers, distributors, and other partners for the purpose of doing business. |

|  |
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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 24. | Which of the following is true of downward flow of information?

|  |  |
| --- | --- |
| A.  | The middle level of the organization develops strategies. |

|  |  |
| --- | --- |
| B.  | The lower levels of the organization convert the tactics into strategies. |

|  |  |
| --- | --- |
| C.  | The upper levels of the organization deal with the operational details. |

|  |  |
| --- | --- |
| **D.**  | The middle levels of an organization convert those strategies into tactics. |

The upper level of an organization develops strategies; the middle levels of an organization convert those strategies into tactics; and the lower levels of an organization deal with the operational details. |

|  |
| --- |
| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 25. | Internal information:

|  |  |
| --- | --- |
| A.  | attempts to describe something that is unknown. |

|  |  |
| --- | --- |
| B.  | describes the environment surrounding the organization. |

|  |  |
| --- | --- |
| **C.**  | describes specific operational aspects of an organization. |

|  |  |
| --- | --- |
| D.  | quantifiably describes something that is known. |

Internal information describes specific operational aspects of an organization. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 26. | \_\_\_\_\_ information quantifiably describes something that is known.

|  |  |
| --- | --- |
| A.  | Internal |

|  |  |
| --- | --- |
| B.  | External |

|  |  |
| --- | --- |
| C.  | Subjective |

|  |  |
| --- | --- |
| **D.**  | Objective |

Objective information quantifiably describes something that is known. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 27. | Subjective information:

|  |  |
| --- | --- |
| **A.**  | attempts to describe something that is unknown. |

|  |  |
| --- | --- |
| B.  | describes the environment surrounding the organization. |

|  |  |
| --- | --- |
| C.  | describes specific operational aspects of an organization. |

|  |  |
| --- | --- |
| D.  | quantifiably describes something that is known. |

Subjective information attempts to describe something that is unknown. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 28. | \_\_\_\_\_ information describes the environment surrounding the organization.

|  |  |
| --- | --- |
| A.  | Objective |

|  |  |
| --- | --- |
| B.  | Subjective |

|  |  |
| --- | --- |
| **C.**  | External |

|  |  |
| --- | --- |
| D.  | Internal |

External information describes the environment surrounding the organization. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 29. | If you offered your expert opinion about some expected outcome, what type of organizational information are you offering?

|  |  |
| --- | --- |
| A.  | External |

|  |  |
| --- | --- |
| **B.**  | Subjective |

|  |  |
| --- | --- |
| C.  | Objective |

|  |  |
| --- | --- |
| D.  | Judgment |

Subjective information attempts to describe something that is unknown. |

|  |
| --- |
| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 3 HardTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 30. | A bank in trying to decide the interest rate to offer on a CD, checks a Web source what rates other banks are offering. This information is considered as \_\_\_\_.

|  |  |
| --- | --- |
| A.  | internal |

|  |  |
| --- | --- |
| **B.**  | external |

|  |  |
| --- | --- |
| C.  | subjective |

|  |  |
| --- | --- |
| D.  | objective |

External information describes the environment surrounding the organization. |

|  |
| --- |
| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.1: Information* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 31. | What is the single most important resource in any organization?

|  |  |
| --- | --- |
| A.  | Money |

|  |  |
| --- | --- |
| B.  | Opportunity |

|  |  |
| --- | --- |
| C.  | Technology |

|  |  |
| --- | --- |
| **D.**  | People |

The single most important resource in any organization is its people. People set goals, carry out tasks, make decisions, serve customers, and, in the case of IT specialists, provide a stable and reliable technology environment so the organization can run smoothly and gain a competitive advantage in the marketplace. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.2: People* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 32. | A technology-literate knowledge worker:

|  |  |
| --- | --- |
| A.  | is a computer savvy worker |

|  |  |
| --- | --- |
| B.  | knows all computer programming languages |

|  |  |
| --- | --- |
| **C.**  | knows how and when to apply technology |

|  |  |
| --- | --- |
| D.  | is knowledgeable about emerging technology |

A technology-literate knowledge worker knows how and when to apply technology. |

|  |
| --- |
| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.2: People* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 33. | Which of the following is true of an information-literate knowledge worker?

|  |  |
| --- | --- |
| **A.**  | He knows how and where to obtain information. |

|  |  |
| --- | --- |
| B.  | He cannot define the information needed. |

|  |  |
| --- | --- |
| C.  | He understands the information before it is received. |

|  |  |
| --- | --- |
| D.  | He can transform business intelligence into information. |

An information-literate knowledge worker can define what information is needed, knows how and where to obtain information, understands the information once it is received (i.e., can transform the information into business intelligence), and can act appropriately based on the information to help the organization achieve the greatest advantage. |

|  |
| --- |
| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.2: People* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 34. | Ethics are:

|  |  |
| --- | --- |
| A.  | the set of laws established by the government. |

|  |  |
| --- | --- |
| B.  | promises of loyalty or allegiance to a cause or a person. |

|  |  |
| --- | --- |
| **C.**  | the principles and standards that guide our behavior toward other people. |

|  |  |
| --- | --- |
| D.  | a list of common religious customs and traditions. |

Ethics are the principles and standards that guide our behavior toward other people. |

|  |
| --- |
| *AACSB: EthicsBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.2: People* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 35. | Which of the following is true of ethics?

|  |  |
| --- | --- |
| A.  | Ethics and laws are the same. |

|  |  |
| --- | --- |
| B.  | Laws and ethics clearly require or prohibit an action. |

|  |  |
| --- | --- |
| **C.**  | Ethics are more subjective than laws. |

|  |  |
| --- | --- |
| D.  | Laws are more a matter of personal or cultural interpretation, unlike ethics. |

Your ethics have consequences for you just as laws do. But ethics are different from laws. Laws either clearly require or prohibit an action. Ethics are more subjective, more a matter of personal or cultural interpretation. |

|  |
| --- |
| *AACSB: EthicsBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.2: People* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 36. | \_\_\_\_\_ refers to any computer-based tool that people use to work with information and support the information and information-processing needs of an organization.

|  |  |
| --- | --- |
| A.  | Information system |

|  |  |
| --- | --- |
| **B.**  | Information technology |

|  |  |
| --- | --- |
| C.  | Information superhighway |

|  |  |
| --- | --- |
| D.  | Information science |

Information technology (IT) refers to any computer-based tool that people use to work with information and support the information and information-processing needs of an organization. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 37. | \_\_\_\_\_ refers to the physical devices that make up a computer.

|  |  |
| --- | --- |
| **A.**  | Hardware |

|  |  |
| --- | --- |
| B.  | Software |

|  |  |
| --- | --- |
| C.  | Data |

|  |  |
| --- | --- |
| D.  | Information |

Hardware is the physical devices that make up a computer. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 38. | Which of the following terms is used to define the set of instructions that a computer executes to carry out a specific task for you?

|  |  |
| --- | --- |
| **A.**  | Software |

|  |  |
| --- | --- |
| B.  | Utilities |

|  |  |
| --- | --- |
| C.  | Hardware |

|  |  |
| --- | --- |
| D.  | Rules |

Software is the set of instructions that your hardware executes to carry out a specific task for you. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 39. | \_\_\_\_\_ is a tool you use to enter information and commands.

|  |  |
| --- | --- |
| **A.**  | An input device |

|  |  |
| --- | --- |
| B.  | An output device |

|  |  |
| --- | --- |
| C.  | A storage device |

|  |  |
| --- | --- |
| D.  | A connecting device |

An input device is a tool you use to enter information and commands. Input devices include such tools as keyboard, mouse, touch screen, game controller, and bar code reader. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 40. | What category of hardware technology does a speaker fall into?

|  |  |
| --- | --- |
| A.  | Input device |

|  |  |
| --- | --- |
| B.  | Telecommunications device |

|  |  |
| --- | --- |
| C.  | Connecting device |

|  |  |
| --- | --- |
| **D.**  | Output device |

Output devices include such tools as printer, monitor, and speakers. |

|  |
| --- |
| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 41. | Which of the following categories of technology allows you to see, hear, or recognize the results of your information-processing requests?

|  |  |
| --- | --- |
| A.  | Connecting device |

|  |  |
| --- | --- |
| B.  | Telecommunication device |

|  |  |
| --- | --- |
| **C.**  | Output device |

|  |  |
| --- | --- |
| D.  | CPU |

An output device is a tool you use to see, hear, or otherwise recognize the results of your information-processing requests. Output devices include such tools as printer, monitor, and speakers. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42. | If you were visiting Disney World and you used its touch-screen monitors to locate a restaurant, what type of hardware device would you be using?

|  |  |
| --- | --- |
| A.  | Output device |

|  |  |
| --- | --- |
| B.  | Connecting device |

|  |  |
| --- | --- |
| **C.**  | Input device |

|  |  |
| --- | --- |
| D.  | Storage device |

Input devices include such tools as keyboard, mouse, touch screen, game controller, and bar code reader. |

|  |
| --- |
| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 43. | \_\_\_\_\_ is a tool you use to save information for use at a later time.

|  |  |
| --- | --- |
| A.  | An input device |

|  |  |
| --- | --- |
| B.  | An output device |

|  |  |
| --- | --- |
| C.  | A connecting device |

|  |  |
| --- | --- |
| **D.**  | A storage device |

A storage device is a tool you use to store information for use at a later time. Storage devices include such tools as thumb drive, flash memory card, and DVD. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 44. | The \_\_\_\_\_ is the hardware that interprets and executes the system and application software instructions and coordinates the operation of all the hardware.

|  |  |
| --- | --- |
| **A.**  | central processing unit (CPU) |

|  |  |
| --- | --- |
| B.  | digital versatile disc (DVD) |

|  |  |
| --- | --- |
| C.  | connecting unit |

|  |  |
| --- | --- |
| D.  | output unit |

The central processing unit (CPU) is the hardware that interprets and executes the system and application software instructions and coordinates the operation of all the hardware. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 45. | \_\_\_\_\_ is a temporary holding area for the information you're working with as well as the system and application software instructions that the CPU currently needs.

|  |  |
| --- | --- |
| A.  | ROM |

|  |  |
| --- | --- |
| **B.**  | RAM |

|  |  |
| --- | --- |
| C.  | DVD |

|  |  |
| --- | --- |
| D.  | VCD |

RAM, or random access memory, is a temporary holding area for the information you're working with as well as the system and application software instructions that the CPU currently needs. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 46. | Which of the following is a telecommunication device?

|  |  |
| --- | --- |
| A.  | Port |

|  |  |
| --- | --- |
| B.  | Cord |

|  |  |
| --- | --- |
| **C.**  | Satellite |

|  |  |
| --- | --- |
| D.  | Bar code scanner |

A telecommunications device is a tool you use to send information to and receive it from another person or computer in a network. Modem and satellite are examples of telecommunications devices. |

|  |
| --- |
| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 47. | Which of the following is a connecting device?

|  |  |
| --- | --- |
| A.  | Modem |

|  |  |
| --- | --- |
| B.  | ROM |

|  |  |
| --- | --- |
| **C.**  | USB Port |

|  |  |
| --- | --- |
| D.  | Printer |

Connecting devices include such things as a USB port into which you would connect a printer, connector cables to connect your printer to the USB port, and internal connecting devices on the motherboard. |

|  |
| --- |
| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 48. | \_\_\_\_\_ enables you to solve specific problems and perform specific tasks.

|  |  |
| --- | --- |
| A.  | A Connecting device |

|  |  |
| --- | --- |
| B.  | An Operating System |

|  |  |
| --- | --- |
| C.  | System software |

|  |  |
| --- | --- |
| **D.**  | Application software |

Application software is the software that enables you to solve specific problems and perform specific tasks. |

|  |
| --- |
| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 49. | Which of the following is an example of application software?

|  |  |
| --- | --- |
| **A.**  | Microsoft Word |

|  |  |
| --- | --- |
| B.  | Microsoft Windows XP |

|  |  |
| --- | --- |
| C.  | Microsoft Antivirus |

|  |  |
| --- | --- |
| D.  | Microsoft Vista |

Application software is the software that enables you to solve specific problems and perform specific tasks. Microsoft Word, for example, can help you write term papers. From an organizational point of view, payroll software, collaborative software, and inventory management software are all examples of application software. |

|  |
| --- |
| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 50. | Which of the following includes drivers for your printer and scanner and utility software?

|  |  |
| --- | --- |
| A.  | Payroll software |

|  |  |
| --- | --- |
| B.  | Collaborative software |

|  |  |
| --- | --- |
| **C.**  | System software |

|  |  |
| --- | --- |
| D.  | Application software |

System software includes network operating system software, drivers for your printer and scanner, operating system software such as Windows XP and Mac OS, and utility software such as anti-virus software, uninstaller software, and file security software. |

|  |
| --- |
| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.3: Information Technology* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 51. | \_\_\_\_\_ is the total of all costs that you incur whether or not you sell anything.

|  |  |
| --- | --- |
| A.  | Variable cost |

|  |  |
| --- | --- |
| **B.**  | Fixed cost |

|  |  |
| --- | --- |
| C.  | Marginal cost |

|  |  |
| --- | --- |
| D.  | Opportunity cost |

Fixed cost is the total of all costs that you incur whether or not you sell anything. |

|  |
| --- |
| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 52. | Companies like Amazon and eBay that only have a presence in the virtual world have significantly lower fixed costs in terms of retail space than companies that have to pay for retail space, like retail stores you would find in a mall. This technological concept is known as:

|  |  |
| --- | --- |
| A.  | VoIP. |

|  |  |
| --- | --- |
| B.  | telecommuting. |

|  |  |
| --- | --- |
| C.  | cloud computing. |

|  |  |
| --- | --- |
| **D.**  | digital storefronts. |

Companies like Amazon and eBay that only have a presence in the virtual world have significantly lower fixed costs in terms of retail space than companies that have to pay for retail space, like retail stores you would find in a mall. This is known as a digital storefront. |

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| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Financial Impact of IT: Break-Even Analysis* |

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| 53. | \_\_\_\_\_ allows you to use the Internet for making phone calls instead of leasing traditional telephone lines from the phone company.

|  |  |
| --- | --- |
| A.  | Digital storefronts |

|  |  |
| --- | --- |
| B.  | Telecommuting |

|  |  |
| --- | --- |
| **C.**  | VoIP |

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| --- | --- |
| D.  | Cloud computing |

VoIP or Voice over IP allows you to use the Internet for making phone calls instead of leasing traditional telephone lines from the phone company. A popular variation on VoIP is Skype. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 54. | Which of the following is an IT-enabled variable cost reduction initiative?

|  |  |
| --- | --- |
| A.  | Telecommuting |

|  |  |
| --- | --- |
| B.  | VoIP |

|  |  |
| --- | --- |
| C.  | Cloud computing |

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| --- | --- |
| **D.**  | Crowdsourcing |

Virtual goods and crowdsourcing are two of the many IT-enabled methods for reducing variable costs. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 55. | Which of the following is an IT-enabled revenue increment initiative?

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| --- | --- |
| **A.**  | Recommendation engines |

|  |  |
| --- | --- |
| B.  | Virtual goods |

|  |  |
| --- | --- |
| C.  | Cloud computing |

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| --- | --- |
| D.  | Crowdsourcing |

Technology can help increase revenue with recommendation engines and long-tail economics. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 56. | Who developed the Five Forces Model?

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| --- | --- |
| **A.**  | Michael Porter |

|  |  |
| --- | --- |
| B.  | Peter Drucker |

|  |  |
| --- | --- |
| C.  | Tom Peters |

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| --- | --- |
| D.  | Abraham Maslow |

To assess technology and the competitive advantage it can yield, many people choose to use Michael Porter's Five Forces Model. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 57. | A loyalty program is:

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| --- | --- |
| A.  | a program that rewards suppliers when delivery of products and services exceeds expectations. |

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| --- | --- |
| B.  | an analysis of customers and their recurring purchasing habits with your business. |

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| --- | --- |
| **C.**  | a reward system for customers based on the amount of business they do with your business. |

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| --- | --- |
| D.  | a process of moving into a new market for a particular product or service. |

Programs which reward customers based on the amount of business they do with a particular organization, are called loyalty programs. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 58. | Businesses typically act as both buyers and suppliers. Which of the following is true regarding the goal of a company as a supplier organization in an industry?

|  |  |
| --- | --- |
| A.  | Buyer power and supplier power should be low. |

|  |  |
| --- | --- |
| **B.**  | Buyer power should be low and supplier power should be high. |

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| --- | --- |
| C.  | Buyer power should be high and supplier power should be low. |

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| --- | --- |
| D.  | Buyer power and supplier power should be high. |

Supplier power in the Five Forces Model is high when buyers have few choices from whom to buy, and low when their choices are many. Supplier power is the opposite of buyer power: As a supplier organization in an industry, you want buyer power to be low and your supplier power to be high. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 59. | According to Porter, when there are many alternative products or services to the ones your business provides:

|  |  |
| --- | --- |
| **A.**  | threat of substitute products or services is high. |

|  |  |
| --- | --- |
| B.  | supplier power is high. |

|  |  |
| --- | --- |
| C.  | buyer power is low. |

|  |  |
| --- | --- |
| D.  | threat of substitute products or services is low. |

The threat of substitute products or services in the Five Forces Model is high when there are many alternatives to a product or service, and low when there are few alternatives from which to choose. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 60. | To minimize the threat of substitute products or services, some businesses will create switching costs. What are switching costs?

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| --- | --- |
| A.  | The start-up costs incurred when replacing old technology with new |

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| --- | --- |
| B.  | The costs incurred due to the inability to switch back to your first brand after moving to an alternative brand |

|  |  |
| --- | --- |
| C.  | A non-refundable fine levied against the customer for switching to a competitor |

|  |  |
| --- | --- |
| **D.**  | The costs that make customers reluctant to another project or service supplier |

Switching costs are costs that make customers reluctant to switch to another product or service supplier. What you need to realize is that a switching cost does not necessarily have to be an actual monetary cost. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 61. | Mary wishes to upgrade her current home communications system. She wants to replace her current Internet, TV, and phone to a fiber optics system. As a buyer, Mary needs to consider the \_\_\_.

|  |  |
| --- | --- |
| A.  | threat of new entrants |

|  |  |
| --- | --- |
| **B.**  | switching costs |

|  |  |
| --- | --- |
| C.  | entry barriers |

|  |  |
| --- | --- |
| D.  | first-mover advantages |

Ideally, your organization would like to be a supplier organization in a market in which there are few substitutes for the products and services you offer. Of course, that's seldom possible in any market today, but you can still create a competitive advantage by increasing switching costs. Switching costs are costs that make customers reluctant to switch to another product or service supplier. What you need to realize is that a switching cost does not necessarily have to be an actual monetary cost. |

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| *AACSB: Reflective ThinkingBlooms: ApplyLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 3 HardTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 62. | Which of the following has the highest threat of substitution?

|  |  |
| --- | --- |
| A.  | A Patek Philippe watch |

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| --- | --- |
| B.  | A YSL perfume |

|  |  |
| --- | --- |
| C.  | Bentley Continental GT |

|  |  |
| --- | --- |
| **D.**  | Lifebuoy soap |

The threat of substitute products or services in the Five Forces Model is high when there are many alternatives to a product or service, and low when there are few alternatives from which to choose. |

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| *AACSB: Reflective ThinkingBlooms: ApplyLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 3 HardTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 63. | Doodle Corp. wants to increase customer loyalty toward its currently one-of-a-kind software, Bonkers EP. It does so by offering additional services like automatic updates and free upgrades. Which of the following forces in Porter's model is Doodle Corp. addressing in this situation?

|  |  |
| --- | --- |
| A.  | Threat of substitute products or services |

|  |  |
| --- | --- |
| **B.**  | Threat of new entrants |

|  |  |
| --- | --- |
| C.  | Buyer power |

|  |  |
| --- | --- |
| D.  | Supplier power |

The threat of new entrants in the Five Forces Model is high when it is easy for new competitors to enter a market, and low when there are significant entry barriers to entering a market. |

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| *AACSB: Reflective ThinkingBlooms: ApplyLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 3 HardTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 64. | According to Porter's Five Forces Model, the rivalry among existing competitors is high when:

|  |  |
| --- | --- |
| A.  | competition is more complacent in a market. |

|  |  |
| --- | --- |
| B.  | supplier power is high in a market. |

|  |  |
| --- | --- |
| C.  | buyer power is low in a market. |

|  |  |
| --- | --- |
| **D.**  | competition is fierce in a market. |

The rivalry among existing competitors in the Five Forces Model is high when competition is fierce in a market, and low when competition is more complacent. Simply put, competition is more intense in some industries than in others, although the overall trend is toward increased competition in just about every industry. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 65. | In the soft drink industry, Coca Cola, Pepsi, and Dr Pepper Snapple Group would be categorized under which of the following forces in Porter's model?

|  |  |
| --- | --- |
| **A.**  | Rivalry among existing rivals |

|  |  |
| --- | --- |
| B.  | Buyer power |

|  |  |
| --- | --- |
| C.  | Supplier power |

|  |  |
| --- | --- |
| D.  | Competition from new entrants |

The rivalry among existing competitors in the Five Forces Model is high when competition is fierce in a market, and low when competition is more complacent. |

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| *AACSB: Reflective ThinkingBlooms: ApplyLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 3 HardTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 66. | \_\_\_\_\_ is defined by Porter as offering the same or better quality product or service at a price that is less than what any of the competition is able to do.

|  |  |
| --- | --- |
| **A.**  | Overall cost leadership |

|  |  |
| --- | --- |
| B.  | Price differentiation |

|  |  |
| --- | --- |
| C.  | Product differentiation |

|  |  |
| --- | --- |
| D.  | Focus |

Overall cost leadership is defined by Porter as offering the same or better quality product or service at a price that is less than what any of the competition is able to do. |

|  |
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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter and RGT* |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 67. | Which of the following auto manufacturers use an overall cost leadership strategy?

|  |  |
| --- | --- |
| A.  | Mercedes Benz |

|  |  |
| --- | --- |
| **B.**  | Hyundai |

|  |  |
| --- | --- |
| C.  | Rolls-Royce |

|  |  |
| --- | --- |
| D.  | Aston Martin |

Automobile makers Hyundai and Kia similarly attempt to sell reliable low-cost vehicles to a wide audience, in contrast to Rolls-Royce, Aston Martin, Hummer and Mercedes-Benz which have no overall cost leadership strategy. |

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| *AACSB: Reflective ThinkingBlooms: ApplyLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 3 HardTopic: Strategy Impact of IT: Porter and RGT* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 68. | If you were to create a unique industry Web site for your customers that allowed them to build virtual communities with other customers by sharing information, how would you be enhancing your competitive strategy?

|  |  |
| --- | --- |
| A.  | Through focus |

|  |  |
| --- | --- |
| B.  | Through overall cost leadership |

|  |  |
| --- | --- |
| C.  | Through loyalty enhancement |

|  |  |
| --- | --- |
| **D.**  | Through differentiation |

Differentiation is defined by Porter as offering a product or service that is perceived as being "unique" in the marketplace. |

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| *AACSB: Reflective ThinkingBlooms: ApplyLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 3 HardTopic: Strategy Impact of IT: Porter and RGT* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 69. | Carrio Arrento, a car rental company, operates in two cities and offers low-rental cars specifically to college students from these areas. This is an example of a(n) \_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | overall cost leadership strategy |

|  |  |
| --- | --- |
| **B.**  | focus strategy |

|  |  |
| --- | --- |
| C.  | loyalty program |

|  |  |
| --- | --- |
| D.  | entry barrier |

Focus as a strategy is usually defined as focusing on offering products and services (1) to a particular market segment or buyer group, (2) within a segment of a product line, and/or (3) to a specific geographic market. |

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| *AACSB: Reflective ThinkingBlooms: ApplyLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 3 HardTopic: Strategy Impact of IT: Porter and RGT* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 70. | \_\_\_\_\_ is an approach in which you allocate in terms of percentages how you will spend your IT dollars on various types of business strategies.

|  |  |
| --- | --- |
| A.  | Tactical information planning (TIP) |

|  |  |
| --- | --- |
| B.  | Strategic technology planning (STP) |

|  |  |
| --- | --- |
| **C.**  | Run-grow-transform (RGT) framework |

|  |  |
| --- | --- |
| D.  | Transforming IS strategy (TISS) |

A helpful conceptual framework for viewing the bigger organizational picture and determining the use of IT in it is the run-grow-transform (RGT) framework, an approach in which you allocate in terms of percentages how you will spend your IT dollars on various types of business strategies. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter and RGT* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 71. | Your business had two strategic initiatives this year. One initiative focused on improving customer satisfaction. The second focused on providing customers with their purchase history from any Internet site in the world. If you were to allocate 15% of your IT budget to the first initiative and 25% to the second initiative, what type of strategy are you applying?

|  |  |
| --- | --- |
| A.  | Tactical information planning (TIP) |

|  |  |
| --- | --- |
| B.  | Strategic technology planning (STP) |

|  |  |
| --- | --- |
| C.  | Transforming IS strategy (TISS) |

|  |  |
| --- | --- |
| **D.**  | Run-grow-transform (RGT) framework |

The run-grow-transform (RGT) framework is an approach in which you allocate in terms of percentages how you will spend your IT dollars on various types of business strategies. |

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| *AACSB: Reflective ThinkingBlooms: ApplyLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 3 HardTopic: Strategy Impact of IT: Porter and RGT* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 72. | Under the RGT framework, which of the following strategies applies to a business that offers products and services faster and cheaper than the competition?

|  |  |
| --- | --- |
| A.  | Gain |

|  |  |
| --- | --- |
| **B.**  | Run |

|  |  |
| --- | --- |
| C.  | Grow |

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| --- | --- |
| D.  | Transform |

"Run" optimizes the execution of activities and processes already in place. It seeks organizational growth through offering products and services faster and cheaper than the competition. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter and RGT* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 73. | Under the RGT framework, which of the following strategies applies to a business that increases their customer base by taking it from the competition?

|  |  |
| --- | --- |
| **A.**  | Grow |

|  |  |
| --- | --- |
| B.  | Run |

|  |  |
| --- | --- |
| C.  | Transcend |

|  |  |
| --- | --- |
| D.  | Transform |

"Grow" increases market reach, product and service offerings, expand market share, and so on. It seeks organizational growth by taking market share from the competition (i.e., get a bigger piece of the pie). |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter and RGT* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 74. | Under the RGT framework, which of the following strategies innovates business processes and/or products and services in a completely new way, moving into seemingly different markets?

|  |  |
| --- | --- |
| A.  | Transcend |

|  |  |
| --- | --- |
| B.  | Run |

|  |  |
| --- | --- |
| **C.**  | Transform |

|  |  |
| --- | --- |
| D.  | Grow |

"Transform" innovates business processes and/or products and services in a completely new way, moving into seemingly different markets, and so on. It seeks organizational growth through new and different means. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter and RGT* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 75. | The "run" strategy in the RGT framework is similar in many ways to which of Porter's generic strategies?

|  |  |
| --- | --- |
| **A.**  | Overall cost leadership strategy |

|  |  |
| --- | --- |
| B.  | Focus strategy |

|  |  |
| --- | --- |
| C.  | Product differentiation strategy |

|  |  |
| --- | --- |
| D.  | Price differentiation strategy |

The RGT framework is similar in many ways to Porter's three generic strategies: "Run" is similar to overall cost leadership, "Grow" is similar to focus and differentiation, and "Transform" is similar to (new) differentiation. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter and RGT* |

**True / False Questions**

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| --- | --- |
| 76. | Management information systems deal with the use of information technology tools to help people perform tasks related to information processing.  **FALSE**Management information systems (MIS) deals with the planning for, development, management, and use of information technology tools to help people perform all tasks related to information processing and management. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: Introduction* |

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| --- | --- |
| 77. | The three important organizational resources involved in management information systems include - information, information technology, and people.  **TRUE**MIS deals with the coordination and use of three very important organizational resources—information, people, and information technology. People use information technology to work with information. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: Introduction* |

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| --- | --- |
| 78. | Data and information are the same.  **FALSE**Data are raw facts that describe a particular phenomenon whereas information is data that have a particular meaning within a specific context. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| --- | --- |
| 79. | Data is information that has been processed in some way.  **FALSE**Information is data that has been processed in some way. Information is data that have a particular meaning within a specific context. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

|  |  |
| --- | --- |
| 80. | A statement that the average daily wage of all the construction workers in New York is $350 is an example of information.  **TRUE**Information is data that have a particular meaning within a specific context. The current temperature becomes information if you're deciding what to wear; in deciding what to wear, the data describing the price of a movie rental are not pertinent information (and therefore only data in that context). |

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| *AACSB: Reflective ThinkingAACSB: TechnologyBlooms: ApplyLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 3 HardTopic: MIS Resource No.1: Information* |

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| 81. | Business intelligence refers solely to information about your competitors.  **FALSE**Business intelligence (BI) is collective information—about your customers, your competitors, your business partners, your competitive environment, and your own internal operations—that gives you the ability to make effective, important, and often strategic decisions. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 82. | Information exhibits high quality only if it is pertinent, relevant, and useful to you.  **TRUE**Information exhibits high quality only if it is pertinent, relevant, and useful to you. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 83. | Information is of no value to you if you can't access it.  **TRUE**Information is of no value to you if you can't access it. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 84. | If the information coming into your decision-making process is in bad form, you'll more than likely make a poor decision.  **TRUE**If the information coming into your decision-making process is in bad form (i.e., garbage-in), you'll more than likely make a poor decision (i.e., garbage-out). |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 85. | At upper organizational levels, information exhibits fine granularity because people need to work with information in great detail.  **FALSE**At lower organizational levels, information exhibits fine granularity because people need to work with information in great detail. At the upper organizational levels, information becomes coarser because it is summarized or aggregated in some way. |

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| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.1: Information* |

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| 86. | The horizontal flow of information consists of information that is communicated to customers, suppliers, distributors, and other partners for the purpose of doing business.  **FALSE**Information flows horizontally between functional business units and work teams. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 87. | Objective information attempts to describe something that is unknown.  **FALSE**Objective information quantifiably describes something that is known. Subjective information attempts to describe something that is unknown. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 88. | A technology-literate knowledge worker knows how and when to apply technology.  **TRUE**A technology-literate knowledge worker knows how and when to apply technology. The "how" aspect includes knowing which technology to purchase, how to exploit the many benefits of application software, and what technology infrastructure is required to get businesses connected to each other, just to name a few. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.2: People* |

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| 89. | An information-literate knowledge worker can transform the information into business intelligence.  **TRUE**An information-literate knowledge worker understands the information once it is received (i.e., can transform the information into business intelligence). |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.2: People* |

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| 90. | Copying software so that your neighbor can install it on his/her machine is completely legal and ethical, unless you charge a fee for the software.  **FALSE**Copying software you purchase, making copies for your friends, and charging them for the copies is unethical. |

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| *AACSB: EthicsAACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.2: People* |

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| 91. | Hardware consists of the instructions executed by the computer to complete a specific task.  **FALSE**Hardware is the physical devices that make up a computer. Software is the set of instructions that your hardware executes to carry out a specific task for you. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

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| 92. | Output devices include such tools as printer, monitor, and speakers.  **TRUE**An output device is a tool you use to see, hear, or otherwise recognize the results of your information-processing requests. Output devices include such tools as printer, monitor, and speakers. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

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| 93. | DVD is a temporary holding space for data and software.  **FALSE**RAM, or random access memory, is a temporary holding area for the information you're working with as well as the system and application software instructions that the CPU currently needs. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

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| 94. | If you connect to the Internet using a modem, the modem is a telecommunications device.  **TRUE**A telecommunications device is a tool you use to send information to and receive it from another person or computer in a network. If you connect to the Internet using a modem, the modem is a telecommunications device. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

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| 95. | Software such as Microsoft Word, Excel, PowerPoint, or Access are examples of utility software.  **TRUE**Utility software includes anti-virus software, uninstaller software, and file security software. Software such as Microsoft Word, Excel, PowerPoint, or Access are examples of application software. |

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| *AACSB: TechnologyBlooms: UnderstandLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 2 MediumTopic: MIS Resource No.3: Information Technology* |

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| 96. | Fixed costs can include utilities, insurance, and employee salaries.  **TRUE**Fixed costs are the total of all costs that you incur whether or not you sell anything. For example, rent for office or retail space is a fixed cost; even if you don't sell a single thing, you still have to pay the monthly rent. Other fixed costs might include utilities, insurance, employee salaries, and so on. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 97. | VoIP allows you to use the Internet for making phone calls instead of leasing traditional telephone lines from the phone company.  **TRUE**VoIP allows you to use the Internet for making phone calls instead of leasing traditional telephone lines from the phone company. A popular variation on VoIP is Skype. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 98. | With cloud computing, you can buy hardware infrastructure like servers or perhaps software site licenses.  **FALSE**With cloud computing, you don't buy hardware infrastructure like servers or perhaps software site licenses. Instead, you rent them on an as-needed basis "in the cloud." |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 99. | Technology helps reduce fixed costs though crowdsourcing.  **FALSE**Technology helps reduce variable costs though crowdsourcing. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 100. | Porter's Five Forces Model helps business people understand the relative attractiveness of an industry and the industry's competitive pressures.  **TRUE**To assess technology and the competitive advantage it can yield, many people choose to use Michael Porter's Five Forces Model. The Five Forces Model helps business people understand the relative attractiveness of an industry and the industry's competitive pressures in terms of the following five forces. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 101. | Buyer power in the Five Forces Model is low when buyers have many choices from whom to buy.  **FALSE**Buyer power in the Five Forces Model is high when buyers have many choices from whom to buy, and low when their choices are few. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 102. | Supplier power in the Five Forces Model is high when buyers have few choices from whom to buy.  **TRUE**Supplier power in the Five Forces Model is high when buyers have few choices from whom to buy, and low when their choices are many. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 103. | Switching costs are almost exclusively monetary costs.  **FALSE**Switching cost does not necessarily have to be an actual monetary cost. It can be non-monetary too. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 104. | In the Five Forces Model, the threat of new entrants is high when it is easy for new competitors to enter a market.  **TRUE**The threat of new entrants in the Five Forces Model is high when it is easy for new competitors to enter a market, and low when there are significant entry barriers to entering a market. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 105. | Walmart is a well-known example of the strategy of overall cost.  **TRUE**Examples of organizations focusing on overall cost leadership are numerous and change almost daily, with the most well-known example being Walmart. Walmart's slogans of "Always Low Prices!" and "Every Day Low Prices" accurately describe the strategy of overall cost leadership. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter (Again) and RGT* |

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| 106. | All the generic strategies defined by Porter can be practiced in isolation.  **FALSE**As with the other generic strategies defined by Porter, focus cannot be practiced in isolation. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter (Again) and RGT* |

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| 107. | The "Grow" aspect of the RGT framework seeks organizational growth through new and different means.  **FALSE**The "Grow" aspect of the RGT seeks organizational growth by taking market share from the competition (i.e., get a bigger piece of the pie). |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter (Again) and RGT* |

**Fill in the Blank Questions**

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| 108. | \_\_\_\_\_ deals with the planning for, development, management, and use of information technology tools to help people perform all tasks related to information processing and management.  **Management information systems (MIS)**Management information systems (MIS) deals with the planning for, development, management, and use of information technology tools to help people perform all tasks related to information processing and management. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: Introduction* |

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| 109. | Management information systems deal with three organizational resources - information, \_\_\_\_, and information technology.  **people**MIS deals with the coordination and use of three very important organizational resources—information, people, and information technology. People use information technology to work with information. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: Introduction* |

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| 110. | \_\_\_\_\_ are raw facts that describe a particular phenomenon.  **Data**Data are raw facts that describe a particular phenomenon such as the current temperature, the price of a movie rental, or your age. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 111. | \_\_\_\_\_ is data that have a particular meaning within a specific context.  **Information**Information is data that have a particular meaning within a specific context. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 112. | \_\_\_\_\_ is collective information that gives you the ability to make effective, important, and often strategic decisions.  **Business intelligence (BI)**Business intelligence (BI) is collective information that gives you the ability to make effective, important, and often strategic decisions. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 113. | Information exhibits high quality only if it is \_\_\_\_, relevant, and useful to you.  **pertinent**Information exhibits high quality only if it is pertinent, relevant, and useful to you. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 114. | An example of \_\_\_\_\_ is when information you need to make a decision comes to you in a bad form.  **garbage-in garbage-out (GIGO)**If the information coming into your decision-making process is in bad form (i.e., garbage-in), you'll more than likely make a poor decision (i.e., garbage-out). This is the concept of garbage-in garbage-out (GIGO). |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 115. | The \_\_\_\_\_ attribute of information addresses the credibility of information.  **validity**Validity addresses the credibility of information. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 116. | The \_\_\_\_\_ flow of information consists of information that describes the current state of the organization based on its daily transactions.  **upward**Upward information flows describe the current state of the organization based on its daily transactions. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 117. | \_\_\_\_\_ refers to the extent of detail within the information.  **Information granularity**Information granularity refers to the extent of detail within the information. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 118. | At the upper organizational levels, information becomes \_\_\_\_\_ because it is summarized or aggregated in some way.  **coarser**At the upper organizational levels, information becomes coarser because it is summarized or aggregated in some way. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 119. | \_\_\_\_\_ information describes the environment surrounding the organization.  **External**External information describes the environment surrounding the organization. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 120. | \_\_\_\_\_ information attempts to describe something that is unknown.  **Subjective**Subjective information attempts to describe something that is unknown. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.1: Information* |

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| 121. | \_\_\_\_\_ are the single most important resource in any organization.  **People**The single most important resource in any organization is its people. People set goals, carry out tasks, make decisions, serve customers, and, in the case of IT specialists, provide a stable and reliable technology environment so the organization can run smoothly and gain a competitive advantage in the marketplace. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.2: People* |

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| 122. | A(n) \_\_\_\_\_ person knows how and when to apply technology, while a(n) \_\_\_\_\_ person understands what information is needed and how to obtain that information.  **technology-literate; information-literate**A technology-literate knowledge worker knows how and when to apply technology. An information-literate knowledge worker knows how and where to obtain information. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.2: People* |

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| 123. | \_\_\_\_\_ are the principles and standards that guide our behavior toward other people.  **Ethics**Ethics are the principles and standards that guide our behavior toward other people. |

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| *AACSB: EthicsBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.2: People* |

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| 124. | \_\_\_\_\_ refers to any computer-based tool that people use to work with information and support the information and information-processing needs of an organization.  **Information technology (IT)**Information technology refers to any computer-based tool that people use to work with information and support the information and information-processing needs of an organization. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

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| 125. | \_\_\_\_\_ is the set of instructions that your hardware executes to carry out a specific task.  **Software**Software is the set of instructions that your hardware executes to carry out a specific task. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

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| 126. | A(n) \_\_\_\_\_ is a tool you use to see, hear, or otherwise accept the results of your information-processing requests.  **output device**An output device is a tool you use to see, hear, or otherwise recognize the results of your information-processing requests. Output devices include such tools as printer, monitor, and speakers. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

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| 127. | The \_\_\_\_\_ is the hardware component that interprets and executes software.  **CPU**The central processing unit (CPU) is the hardware that interprets and executes the system and application software instructions and coordinates the operation of all the hardware. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

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| 128. | \_\_\_\_\_ handles tasks specific to technology management and coordinates the interaction of all technology devices.  **System software**System software handles tasks specific to technology management and coordinates the interaction of all technology devices. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-01 Define management information systems (MIS) and describe the three important organizational resources within it—people; information; and information technology.Level of Difficulty: 1 EasyTopic: MIS Resource No.3: Information Technology* |

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| 129. | \_\_\_\_\_ is the total of all costs that you incur whether or not you sell anything.  **Fixed cost**Fixed cost is the total of all costs that you incur whether or not you sell anything. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 130. | \_\_\_\_\_ allows you to use the Internet for making phone calls instead of leasing traditional telephone lines from the phone company.  **VoIP**VoIP allows you to use the Internet for making phone calls instead of leasing traditional telephone lines from the phone company. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 131. | Using \_\_\_\_, you get non-paid non-employees to do your work.  **crowdsourcing**Using crowdsourcing, you get non-paid non-employees to do your work. |

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| *AACSB: TechnologyBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Financial Impact of IT: Break-Even Analysis* |

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| 132. | A(n) \_\_\_\_\_ is providing a product or service in a way that customers value more than what your competition is able to do.  **competitive advantage**A competitive advantage is providing a product or service in a way that customers value more than what your competition is able to do. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 133. | Buyer power is \_\_\_\_\_ when buyers have many choices from whom to buy, and \_\_\_\_\_ when their choices are few.  **high; low**Buyer power in the Five Forces Model is high when buyers have many choices from whom to buy, and low when their choices are few. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 134. | \_\_\_\_\_ is a significant impact on gaining market share by being the first to market with a competitive advantage.  **First mover advantage**First-mover advantage is a significant impact on gaining market share by being the first to market with a competitive advantage. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 135. | As a supplier organization in an industry, you want buyer power to be \_\_\_\_\_ and your supplier power to be \_\_\_\_.  **low; high**As a supplier organization in an industry, you want buyer power to be low and your supplier power to be high. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 2 MediumTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 136. | A(n) \_\_\_\_\_ is a product or service feature that customers have come to expect from organizations in a particular industry and that must be offered by an entering organization to compete and survive.  **entry barrier**An entry barrier is a product or service feature that customers have come to expect from organizations in a particular industry and that must be offered by an entering organization to compete and survive. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-02 Describe how to use break-even analysis to assess the financial impact of information technology.Level of Difficulty: 1 EasyTopic: Industry Impact of IT: Porter's Five Forces Model* |

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| 137. | \_\_\_\_\_ is defined by Porter as offering the same or better quality product or service at a price that is less than what any of the competition is able to do.  **Overall cost leadership**Overall cost leadership is defined by Porter as offering the same or better quality product or service at a price that is less than what any of the competition is able to do. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter (Again) and RGT* |

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| 138. | \_\_\_\_\_ is defined by Porter as offering a product or service that is perceived as being "unique" in the marketplace.  **Differentiation**Differentiation is defined by Porter as offering a product or service that is perceived as being "unique" in the marketplace. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter (Again) and RGT* |

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| 139. | As with the other generic strategies defined by Porter, \_\_\_\_\_ cannot be practiced in isolation. **focus**As with the other generic strategies defined by Porter, focus cannot be practiced in isolation. |

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| *AACSB: AnalyticBlooms: UnderstandLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 2 MediumTopic: Strategy Impact of IT: Porter (Again) and RGT* |

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| 140. | The \_\_\_\_\_ is an approach in which you allocate in terms of percentages how you will spend your IT dollars on various types of business strategies. **run-grow-transform (RGT) framework**The run-grow-transform (RGT) framework is an approach in which you allocate in terms of percentages how you will spend your IT dollars on various types of business strategies. |

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| *AACSB: AnalyticBlooms: RememberLearning Objective: 01-03 Describe how to use Porter's Five Forces Model to evaluate the relative attractiveness of and competitive pressures in an industry.Level of Difficulty: 1 EasyTopic: Strategy Impact of IT: Porter (Again) and RGT* |