

Package Title: Practice Questions

Course Title: Rainer, Introduction to Information Systems, Fifth Canadian Edition

Chapter Number: 02

Shuffle: No

Question type: True/False

1) "Business process" is defined as an ongoing collection of related activities that create a product/service for an organization.

Answer: True

Difficulty: Easy

Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.

Section Reference 1: Business Processes

AACSB: Reflective Thinking

Bloomcode: Knowledge

2) All business processes must be owned by one and only one functional area in any organization.

Answer: False

Difficulty: Easy

Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.

Section Reference 1: Business Processes

AACSB: Reflective Thinking

Bloomcode: Comprehension

3) According to McKinsey & Co., the root cause of companies' inability to align their IT and their business goals is the lack of knowledge and communication.

Answer: True

Difficulty: Medium

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Section Reference 1: Business Processes

AACSB: Technology

Bloomcode: Knowledge

4) BPR stands for Business Process Recovery.

Answer: False

Difficulty: Easy

Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.

Section Reference 1: Business Process Reengineering, Business Process Improvement, and Business Process Management

AACSB: Technology

Bloomcode: Knowledge

5) Business process management includes methods and tools to support the design, analysis, implementation, management, and optimization of business processes.

Answer: True

Difficulty: Easy

Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.

Section Reference 1: Business Process Reengineering, Business Process Improvement, and Business Process Management

AACSB: Reflective Thinking

Bloomcode: Knowledge

6) An example of globalization is the Canada-United States-Mexico Agreement (CUSMA).

Answer: True

Difficulty: Easy

Learning Objective 1: Identify effective IT responses to different kinds of business pressures.

Section Reference 1: Business Pressures, Organizational Responses, and Information Technology Support

AACSB: Reflective Thinking

Bloomcode: Knowledge

7) Organizations depend on IT to facilitate their transition to the globalization of their operations.

Answer: True

Difficulty: Easy

Learning Objective 1: Identify effective IT responses to different kinds of business pressures.

Section Reference 1: Business Pressures, Organizational Responses, and Information Technology Support

AACSB: Reflective Thinking

Bloomcode: Knowledge

8) There are six (6) characteristics of effective business-IT alignment.

Answer: True

Difficulty: Easy

Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.

Section Reference 1: Competitive Advantage and Strategic Information Systems

AACSB: Technology

Bloomcode: Knowledge

9) 85% of business and IT executives agree that their companies have adequate alignment between IT and their business.

Answer: False

Difficulty: Medium

Learning Objective 1: Identify effective IT responses to different kinds of business pressures.

Section Reference 1: Business Pressures, Organizational Responses, and Information Technology Support

AACSB: Reflective Thinking

Bloomcode: Knowledge

10) The Internet reduces the barriers of entry for new competitors in an established industry.

Answer: True

Difficulty: Easy

Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.

Section Reference 1: Competitive Advantage and Strategic Information Systems

AACSB: Technology

Bloomcode: Knowledge

11) The Internet can both reduce and increase the bargaining power of suppliers, depending on the specific circumstances.

Answer: True

Difficulty: Easy

Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.

Section Reference 1: Competitive Advantage and Strategic Information Systems

AACSB: Technology
Bloomcode: Knowledge

12) Cost leadership strategy is one strategy to gain a competitive advantage.

Answer: True

Difficulty: Easy

Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.

Section Reference 1: Competitive Advantage and Strategic Information Systems

AACSB: Reflective Thinking

Bloomcode: Knowledge

13) Selecting and adhering to a single competitive strategy is sufficient to counter all of Porter's five forces and be successful in the long term.

Answer: False

Difficulty: Medium

Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.

Section Reference 1: Competitive Advantage and Strategic Information Systems

AACSB: Reflective Thinking

Bloomcode: Knowledge

Question type: Multiple Choice

14) Which of the following are examples of business processes?

- a) managing cash receipts
- b) collecting sales tax
- c) processing bills of material
- d) all of these

Answer: d

Difficulty: Easy

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Section Reference 1: Business Processes

AACSB: Reflective Thinking

Bloomcode: Knowledge

15) A(n) ____ is a collection of related activities that produce a product or a service of value to an organization.

- a) workflow pattern
- b) business process
- c) supply chain
- d) information system
- e) management technique

Answer: b

Difficulty: Easy

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Section Reference 1: Business Processes

AACSB: Technology

Bloomcode: Knowledge

16) Business-IT alignment refers to the synchronization of a company's IT operations with its

- a) business processes.
- b) business objectives.
- c) infrastructure.
- d) business environment.

Answer: b

Difficulty: Easy

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Section Reference 1: Competitive Advantage and Strategic Information Systems

AACSB: Technology

Bloomcode: Knowledge

17) Business environment pressures can come from which of the following?

- a) management restructuring
- b) cost reductions
- c) political change
- d) quality control

Answer: c

Difficulty: Easy

Learning Objective 1: Identify effective IT responses to different kinds of business pressures.

Section Reference 1: Business Pressures, Organizational Responses, and Information Technology Support

AACSB: Reflective Thinking

Bloomcode: Comprehension

18) In today's business environment, it is rare for a company **not** to have a significant Web presence. This trend can be attributed primarily to

- a) social responsibility.
- b) technological pressures.
- c) government regulations.
- d) none of these

Answer: b

Difficulty: Easy

Learning Objective 1: Identify effective IT responses to different kinds of business pressures.

Section Reference 1: Business Pressures, Organizational Responses, and Information Technology Support

AACSB: Reflective Thinking

Bloomcode: Knowledge

19) The term "digital divide" refers to the gap between

- a) organizations that utilize wireless technologies and those that do not.
- b) individuals who have access to information and communication technologies and those who do not.
- c) the IT staff and the other employees who are not IT savvy.
- d) both of the following: Organizations that utilize wireless technologies and those that do not; and individuals who have access to information and communication technologies and those who do not.
- e) both of the following: Individuals who have access to information and communication technologies and those who do not; and the IT staff and the other employees who are not IT savvy.

Answer: b

Difficulty: Easy

Learning Objective 1: Identify effective IT responses to different kinds of business pressures.

Section Reference 1: Business Pressures, Organizational Responses, and Information Technology Support

AACSB: Technology

Bloomcode: Knowledge

20) The best-known framework for analyzing competitiveness is

- a) Michael Porter's value chain model.
- b) Freidman's ten flatteners.

- c) Michael Porter's competitive forces model.
- d) competitive globalization model.

Answer: c

Difficulty: Easy

Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.

Section Reference 1: Competitive Advantage and Strategic Information Systems

AACSB: Reflective Thinking

Bloomcode: Knowledge

21) Two strategies that a company can use to gain a competitive advantage are

- a) customer-orientation and operational effective strategy.
- b) protection and innovation strategy.
- c) mass customization and cost leadership strategy.
- d) compliance and innovation strategy.

Answer: a

Difficulty: Easy

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Section Reference 1: Competitive Advantage and Strategic Information Systems

AACSB: Reflective Thinking

Bloomcode: Knowledge

Question type: Multiple-Selection

22) The goals of business process reengineering are to (check all that apply)

- a) reduce waste.
- b) increase customer satisfaction.
- c) increase cycle time.
- d) increase productivity.
- e) optimize operations.

Answer 1: a

Answer 2: b

Answer 3: d

Answer 4: e

Difficulty: Easy

Learning Objective 1: Differentiate between business process reengineering, business process

improvement, and business process management.

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AACSB: Reflective Thinking

Bloomcode: Knowledge

23) In recent years, companies such as Walmart and *Amazon.com* have offered streaming videos for rent on their websites. This is another example of how new technology has (check all that apply)

- a) increased the threat of new entrants.
- b) increased the threat of substitute products.
- c) increased the supplier's bargaining power.
- d) decreased the buyer's bargaining power.

Answer 1: a

Answer 2: b

Difficulty: Medium

Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.

Section Reference 1: Competitive Advantage and Strategic Information Systems

Porter's five competitive forces.

AACSB: Reflective Thinking

Bloomcode: Application