

Chapter 2—Information Systems and Knowledge Management

TRUE/FALSE

1. Data, information, and intelligence all have the potential to create value to the firm through better decision making.

ANS: T PTS: 1 DIF: Moderate REF: p. 18

OBJ: LO: 02-01

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

2. Data are a subset of market intelligence.

ANS: F

Market intelligence is the subset of data and information. There is more data than information, and more information than intelligence.

PTS: 1 DIF: Moderate REF: p. 18 OBJ: LO: 02-01

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

3. Relevant data are facts about things that cannot be changed.

ANS: F

Relevant data are facts about things that *can* be changed, and if they are changed, it will materially alter the situation.

PTS: 1 DIF: Moderate REF: p. 19 OBJ: LO: 02-02

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

4. Timely data are the most current data.

ANS: F

While the most current data are most likely the most timely and relevant, timely data can be older as well. It just can't be so old that they are not relevant.

PTS: 1 DIF: Moderate REF: p. 20 OBJ: LO: 02-02

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

5. Knowledge cannot be managed.

ANS: F

Knowledge management is the process of creating an inclusive, comprehensive, easily accessible organizational memory, which is often called the organization's intellectual capital.

PTS: 1 DIF: Hard REF: p. 21 OBJ: LO: 02-03

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

6. One way to describe business research is to categorize it based on the four possible functions it serves in business: foundational, testing, issues, and validation.
ANS: F
One way to describe business research is to categorize it based on the four possible functions it serves in business: foundational, testing, issues, and *performance*.
PTS: 1 DIF: Moderate REF: p. 23 OBJ: LO: 02-04
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge
7. The purpose of a decision support system is to store data and transform data into information that is easily accessible to managers.
ANS: T PTS: 1 DIF: Moderate REF: p. 23
OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
8. The goal of a CRM system is to describe customer relationships so that managers can access information themselves.
ANS: T PTS: 1 DIF: Moderate REF: p. 23
OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
9. A decision support system requires databases and software.
ANS: T PTS: 1 DIF: Easy REF: p. 23
OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Comprehension
10. A data warehouse is the multitiered computer storehouse of current and historical data.
ANS: T PTS: 1 DIF: Moderate REF: p. 24
OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
11. Input data can come from internal sources of the organization, but not from external sources.
ANS: F
Input data come from both internal and external sources.
PTS: 1 DIF: Moderate REF: p. 24 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Comprehension
12. Proprietary marketing research is available to anyone via the Internet.
ANS: F
Proprietary marketing research is the gathering of new data to investigate specific problems and is otherwise not available.
PTS: 1 DIF: Moderate REF: p. 24 OBJ: LO: 02-04
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension
13. An organization's salesforce frequently provides important business intelligence information.
ANS: T PTS: 1 DIF: Moderate REF: p. 25
OBJ: LO: 02-04
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge
14. Modern technology provides new ways of tracking human behavior.
ANS: T PTS: 1 DIF: Moderate REF: p. 26
OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Comprehension
15. Scanner data is collected at store checkout counters.
ANS: T PTS: 1 DIF: Moderate REF: p. 26
OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Comprehension
16. Tracking a person's Internet surfing behavior is illegal.

ANS: F

The Internet greatly facilitates tracking Internet behavior, and it is not illegal.

PTS: 1 DIF: Hard REF: p. 26 OBJ: LO: 02-04

NAT: AACSB Ethics| CB&E Model Online/Computer| Blooms Comprehension

17. Types of databases include statistical databases, financial databases, and video databases.

ANS: T PTS: 1 DIF: Moderate REF: p. 27

OBJ: LO: 02-05

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

18. Foxnews.com is an example of a content provider on the World Wide Web.

ANS: T PTS: 1 DIF: Moderate REF: p. 31

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

19. A key word search entails all information gathering designed to detect changes in the external operating environment of the firm.

ANS: F

This is environmental scanning.

PTS: 1 DIF: Moderate REF: p. 32 OBJ: LO: 02-04

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

20. Data and information can be delivered to consumers or other end users via pull technology or push technology.

ANS: T PTS: 1 DIF: Moderate REF: p. 32

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

MULTIPLE CHOICE

1. Facts or recorded measures of certain phenomena (things or events) are known as _____.
a. data
b. information
c. market intelligence
d. knowledge
e. value

ANS: A PTS: 1 DIF: Moderate REF: p. 18

OBJ: LO: 02-01

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

2. Data formatted (structured) to support decision making or define the relationship between two facts is referred to as _____.
a. interpretive
b. inductive
c. information
d. interactive

ANS: C PTS: 1 DIF: Moderate REF: p. 18

OBJ: LO: 02-01

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

3. Which of the following is a subset of data and information that actually has some explanatory power enabling effective decisions to be made?
a. knowledge
b. intellectual capital
c. business intelligence
d. decision support system

ANS: C PTS: 1 DIF: Moderate REF: p. 18

OBJ: LO: 02-01

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

4. All of the following are important characteristics used to evaluate the value of information EXCEPT _____.
a. timeliness
b. relevance
c. completeness
d. cost

ANS: D PTS: 1 DIF: Hard REF: p. 19

OBJ: LO: 02-02

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

5. The characteristic of data reflecting how pertinent these particular facts are to the situation at hand is called _____.
a. relevance
b. timeliness

- c. completeness
- d. significance

ANS: A PTS: 1 DIF: Moderate REF: p. 19

OBJ: LO: 02-02

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

6. A researcher has assessed the reliability and validity of his data and is comfortable in thinking the data accurately matches reality. Which characteristic of valuable information does this best describe?
- a. relevance
 - b. completeness
 - c. quality
 - d. timeliness

ANS: A PTS: 1 DIF: Hard REF: p. 19

OBJ: LO: 02-02

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

7. Which of the following data characteristic refers to the degree to which data represent the true situation?
- a. timeliness
 - b. completeness
 - c. quality
 - d. relevance

ANS: C PTS: 1 DIF: Moderate REF: p. 20

OBJ: LO: 02-02

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

8. Merck, a pharmaceutical company, places a tiny chip on drug packaging to track its product from the manufacturing plant to the consumer to ensure the product flows through the proper distribution channel and safety for consumers. The tiny chip is an application of which technology?
- a. RFID
 - b. smart technology
 - c. market dynamism
 - d. GPS

ANS: A PTS: 1 DIF: Hard REF: p. 21

OBJ: LO: 02-02 NAT: AACSB Technology| CB&E Model Research| Blooms Application

9. Which of the following represents a blend of previous experience, insight, and data that forms organizational memory?
- a. data
 - b. knowledge
 - c. market intelligence
 - d. information

ANS: B PTS: 1 DIF: Moderate REF: p. 21

OBJ: LO: 02-03

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

10. Which of the following is an organized collection of computer hardware, software, data, and personnel designed to capture, store, update, manipulate, analyze, and immediately display information about worldwide business activities?
- a. Internet
 - b. Intranet

- c. global information system
- d. global positioning satellite system

ANS: C PTS: 1 DIF: Moderate REF: p. 22

OBJ: LO: 02-03

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

11. All of the following are functions supported by marketing research EXCEPT ____.
- a. testing
 - b. foundational
 - c. compliance
 - d. performance

ANS: C PTS: 1 DIF: Hard REF: p. 23

OBJ: LO: 02-04

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

12. Harold is conducting research to determine what consumer segment his company should serve with its services. Which function is this research serving?
- a. testing
 - b. issues
 - c. foundational
 - d. performance

ANS: C PTS: 1 DIF: Hard REF: p. 23

OBJ: LO: 02-04

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

13. A computer-based system that helps decision makers confront problems through direct interaction with databases and systems is known as a(n) ____.
- a. Internet
 - b. Intranet
 - c. decision support system (DSS)
 - d. global positioning satellite system

ANS: C PTS: 1 DIF: Moderate REF: p. 23

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

14. Which part of the decision support system addresses exchanges between the firm and its customers?
- a. customer relationship management (CRM) system
 - b. data warehouse
 - c. global information system (GIS)
 - d. intellectual capital system

ANS: A PTS: 1 DIF: Moderate REF: p. 23

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

15. Who can provide data to a decision support system?
- a. production managers
 - b. sales managers
 - c. accountants
 - d. all of these choices

ANS: D PTS: 1 DIF: Easy REF: p. 23

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

16. An organization's mailing list of current customers is an example of _____.
a. a cookie
b. software
c. a database
d. a hyperlink

ANS: C PTS: 1 DIF: Hard REF: p. 24

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

17. Which of the following is a process that allows important day-to-day operational data to be stored and organized for simplified access?
a. global information system
b. data warehousing
c. proprietary business research
d. keyword search

ANS: B PTS: 1 DIF: Moderate REF: p. 24

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

18. An organization's inventory figures are a good example of _____.
a. cookies
b. internal records
c. external records
d. CRM

ANS: B PTS: 1 DIF: Hard REF: p. 24

OBJ: LO: 02-04

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

19. Which source of input data is represented when a company conducts research to identify the characteristics of its customers?
a. internal records
b. proprietary business research
c. salesperson input
d. behavioral tracking

ANS: B PTS: 1 DIF: Hard REF: p. 24

OBJ: LO: 02-04

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

20. Accumulated records resulting from point-of-sale data recordings are known as _____.
a. scanner data
b. multiple-source data
c. cookies
d. environmental scanning data

ANS: A PTS: 1 DIF: Moderate REF: p. 26

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

21. Which of the following is an example of behavioral tracking?
a. product sales histories
b. test market results
c. supermarket scanner data
d. survey findings

ANS: C PTS: 1 DIF: Moderate REF: p. 26

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

22. Data which relates purchase information with promotional exposures and advertising frequency data by particular households are known as _____.
a. single-source data
b. multiple-source data
c. cookies
d. environmental scanning data

ANS: A PTS: 1 DIF: Hard REF: p. 26

OBJ: LO: 02-04 NAT: AACSB Technology| CB&E Model Research| Blooms Knowledge

23. LEXIS-NEXIS is a company that puts together data sources into packages that are offered to municipal, corporate, and university libraries for a fee. LEXIS-NEXIS is an example of a _____.
a. data compiler
b. data wholesaler
c. data warehouse
d. data miner

ANS: B PTS: 1 DIF: Hard REF: p. 27

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

24. CompuStat, which publishes financial data, such as income statements and balance sheets, is an example of which type of database?
a. statistical database
b. financial database
c. video database
d. electronic interchange database

ANS: B PTS: 1 DIF: Moderate REF: p. 28

OBJ: LO: 02-05

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

25. The type of exchange that occurs when one company's computer system is integrated with another company's system is called _____.
a. electronic data interchange (EDI)
b. radio frequency exchanged (RFE)
c. electronic synergy
d. realtime communication

ANS: A PTS: 1 DIF: Moderate REF: p. 29

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

26. When Walmart transmits information electronically each day to Wrangler jeans about unit sales of this product in its retail outlets so that Wrangler can replenish Walmart's inventory on an as-needed basis, this is an example of _____.
a. cookies
b. EDI
c. the Internet
d. data transference

ANS: B PTS: 1 DIF: Hard REF: p. 29

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

27. Where does the content for a particular website physically reside?

- a. content provider
- b. electronic data interchange
- c. host
- d. Intranet

ANS: C PTS: 1 DIF: Moderate REF: p. 30

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

28. Parties that furnish information on the World Wide Web are called ____.

- a. browsers
- b. content providers
- c. search engines
- d. hosts

ANS: B PTS: 1 DIF: Moderate REF: p. 31

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

29. What is the opening screen of a Web site called?

- a. cookie
- b. home page
- c. hyperlink
- d. browser

ANS: B PTS: 1 DIF: Moderate REF: p. 31

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

30. A Web site address that Web browsers recognize is called a(n) ____.

- a. URL
- b. EDI
- c. DSS
- d. UPC

ANS: A PTS: 1 DIF: Moderate REF: p. 31

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

31. www.fda.gov, www.nike.com, and www.fsu.edu are examples of ____.

- a. EDIs
- b. URLs
- c. DSSs
- d. UPCs

ANS: B PTS: 1 DIF: Hard REF: p. 31

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

32. Yahoo! and Google are examples of ____.

- a. home pages
- b. search engines
- c. ISPs
- d. CRMs

ANS: B PTS: 1 DIF: Hard REF: p. 31

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

33. A(n) _____ searches through the Internet almost instantly looking for content containing specific words.
- environmental scan
 - history sniff
 - web crawl
 - keyword search

ANS: D

PTS: 1

DIF: Easy

REF: p. 31

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

34. Karl is searching “digital cameras” in Google to learn more about the brands available and prices for each. Karl is performing a(n) _____.
- predictive analysis
 - keyword search
 - environmental scan
 - history sniff

ANS: B

PTS: 1

DIF: Hard

REF: p. 31

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

35. What type of medium is the Internet?
- interactive medium
 - one-way medium
 - flow medium
 - ionic medium

ANS: A

PTS: 1

DIF: Hard

REF: p. 31

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Comprehension

36. Melanie is using the Internet to gather information designed to detect changes in her company’s external operating environment. What is Melanie performing?
- environmental scanning
 - behavioral tracking
 - search engine optimization
 - electronic data interchange

ANS: A

PTS: 1

DIF: Hard

REF: p. 32

OBJ: LO: 02-04

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

37. In which type of technology does the consumer request information from a Web page and the browser then determines a response?
- Intranet
 - push technology
 - pull technology
 - interactive technology

ANS: C

PTS: 1

DIF: Moderate

REF: p. 32

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

38. When amazon.com recommends books for purchase when a customer who has ordered books from Amazon previously returns to the site, this is an example of _____.
a. push technology
b. electronic data interchange
c. pull technology
d. a URL

ANS: A PTS: 1 DIF: Hard REF: p. 32

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

39. When an Internet user sets up his computer so that it will send him regular news about his favorite professional football team, this is an example of the application of _____.
a. push technology
b. pull technology
c. smart agent software
d. RFID

ANS: C PTS: 1 DIF: Hard REF: p. 33

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

40. When you visit websites, most likely a small computer file that records your Web usage history is created. Often this is done so the site will know you when you return and you won't have to reenter information if you have already done so on that site. This small computer file is called a(n) _____.
a. electronic data exchange
b. cookie
c. URL
d. Intranet

ANS: B PTS: 1 DIF: Hard REF: p. 33

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

41. Most companies use a private data network that uses Internet standards and technology but only allows those individuals whom the organization deems as appropriate participants to access data. This is an example of a(n) _____.
a. Intranet
b. smart network
c. internal source
d. content provider

ANS: A PTS: 1 DIF: Moderate REF: p. 33

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application

42. Which of the following is a collaborative effort involving many universities, government entities, and corporations?
a. Intranet
b. Internet2
c. Web2.0
d. smart agent network

ANS: B PTS: 1 DIF: Moderate REF: p. 33

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

COMPLETION

1. In information technology, _____ is data formatted (structured) to support decision-making or define the relationship between two facts.
ANS: information
PTS: 1 DIF: Moderate REF: p. 18 OBJ: LO: 02-01
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge
2. Information that is accurate, valid, and reliable is said to be of high _____.
ANS: quality
PTS: 1 DIF: Moderate REF: p. 20 OBJ: LO: 02-02
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge
3. Information that is provided when a manager needs it to make an important decision is said to be _____.
ANS: timely
PTS: 1 DIF: Moderate REF: p. 20 OBJ: LO: 02-02
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge
4. When a manager has sufficient information to make a good decision, the information is said to be _____.
ANS: complete
PTS: 1 DIF: Moderate REF: p. 20 OBJ: LO: 02-02
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge
5. _____ management is the process of creating an inclusive, comprehensive, easily accessible organizational memory, which is often called the organization's intellectual capital.
ANS: Knowledge
PTS: 1 DIF: Moderate REF: p. 21 OBJ: LO: 02-03
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge
6. A computer-based system that helps managers to solve problems through interaction with databases is known as a(n) _____.
ANS: decision support system (DSS)
PTS: 1 DIF: Moderate REF: p. 23 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
7. A decision support system that gathers information about customers such as sales history and customer preferences is known as a(n) _____ system.
ANS: customer-relationship management (CRM)
PTS: 1 DIF: Moderate REF: p. 23 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
8. Numerical, text, voice, and image data that enter a decision support system are known as _____.
ANS: input
PTS: 1 DIF: Moderate REF: p. 24 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Comprehension

9. _____ data refers to the accumulated records resulting from point-of-sale data recordings.
ANS: Scanner
PTS: 1 DIF: Moderate REF: p. 26 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
10. An _____ occurs when one company's computer system is integrated with another company's computer system.
ANS: electronic data interchange (EDI)
PTS: 1 DIF: Moderate REF: p. 29 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
11. A(n) _____ is where the content for a particular website physically resides and is accessed.
ANS: host
PTS: 1 DIF: Moderate REF: p. 30 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
12. Parties that furnish information on the World Wide Web are called _____.
ANS: content providers
PTS: 1 DIF: Moderate REF: p. 31 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
13. A website address that Web browsers recognize is called a(n) _____.
ANS: uniform resource locator (URL)
PTS: 1 DIF: Moderate REF: p. 31 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
14. A computerized directory that allows users to search the World Wide Web for information based on a keyword search is called a(n) _____.
ANS: search engine
PTS: 1 DIF: Moderate REF: p. 31 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
15. When a computer user types in "speed boats" in Google, he or she is conducting a(n) _____.
ANS: keyword search
PTS: 1 DIF: Hard REF: p. 31 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Application
16. A medium that a person can use to communicate with and interact with other users is called a(n) _____ medium.
ANS: interactive
PTS: 1 DIF: Moderate REF: p. 31 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
17. The Internet is a(n) _____ medium.
ANS: interactive
PTS: 1 DIF: Moderate REF: p. 31 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
18. _____ technology refers to users requesting information from a web page and the browser then determining a response.
ANS: Pull
PTS: 1 DIF: Moderate REF: p. 32 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge
19. _____ software is capable of learning an Internet user's preferences and automatically searching out information and distributing the information to a user's computer.
ANS: Smart agent
PTS: 1 DIF: Moderate REF: p. 33 OBJ: LO: 02-04
NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

20. A company's private computer network that uses Internet standard but which is accessible only by its own employees is known as a(n) _____.

ANS: Intranet

PTS: 1

DIF: Moderate

REF: p. 33

OBJ: LO: 02-04

NAT: AACSB Technology| CB&E Model Online/Computer| Blooms Knowledge

ESSAY

1. Going from data to information to intelligence is like a funnel. Explain what that means.

ANS:

Data are simply facts or recorded measures of certain phenomena (things or events). **Information** is data formatted (structured) to support decision making or define the relationship between two facts.

Business intelligence is the subset of data and information that actually has some explanatory power enabling effective decisions to be made. So there is more data than information and business intelligence.

PTS: 1

DIF: Hard

REF: p. 18

OBJ: LO: 02-01

NAT: AACSB Communication| CB&E Model Research| Blooms Comprehension

2. A manager is considering purchasing data from an outside vendor to get a better understanding of the target market for his firm's services. What factors should the manager consider when evaluating the data's usefulness for his needs?

ANS:

The four characteristics that help determine how valuable data may be are:

Relevance - reflects how pertinent these particular facts are to the situation at hand. Relevant data are facts about things that can be changed, and if they are changed, it will materially alter the situation.

Quality - the degree to which data represent the true situation. High-quality data are accurate, valid, and reliable.

Timeliness - the data are current enough to still be relevant.

Completeness - refers to having the right amount of information.

PTS: 1

DIF: Hard

REF: p. 19

OBJ: LO: 02-02

NAT: AACSB Communication| CB&E Model Research| Blooms Knowledge

3. What is knowledge management? Explain why is it important for businesses to manage knowledge.

ANS:

Knowledge management is the process of creating an inclusive, comprehensive, easily accessible organizational memory, which can be called the organization's intellectual capital. The purpose of knowledge management is to organize the intellectual capital of an organization in a formally structured way for easy use. Knowledge is presented in a way that helps managers comprehend and act on that information and make better decisions in all areas of business. Knowledge management systems are particularly useful in making data available across the functional areas of the firm so they can be integrated.

PTS: 1

DIF: Moderate

REF: p. 21

OBJ: LO: 02-03

NAT: AACSB Communication| CB&E Model Research| Blooms Knowledge

4. Name and describe the four possible functions research serves in business.

ANS:

The four possible function research serves in business are:

(1) **Foundational** - answers basic questions (e.g., What business should we be in?)

(2) **Testing** - addresses things like new product concepts or promotional ideas (e.g., How effective will they be?)

(3) **Issues** - examines how specific issues impact the firm (e.g., How does organizational structure impact employee job satisfaction and turnover?)

(4) **Performance** - monitors specific metrics including financial statistics like profitability and delivery times. They are critical in real-time management and in “what-if” types of analyses examining the potential impact of a change in policy.

PTS: 1 DIF: Moderate REF: p. 23 OBJ: LO: 02-04

NAT: AACSB Communication| CB&E Model Research| Blooms Knowledge

5. Explain what a decision support system (DSS) is and how it helps managers.

ANS:

A **decision support system (DSS)** is a system that helps decision makers confront problems through direct interaction with computerized databases and analytical software programs. The purpose of a DSS is to store data and transform them into organized information that is easily accessible to managers. Doing so saves managers time so that decisions that might take days or even weeks otherwise can be made in minutes using a DSS. A DSS requires both databases and software. Modern decision support systems greatly facilitate customer relationship management (CRM), which is a system that is part of the DSS that address exchanges between the firm and its customers.

PTS: 1

DIF: Moderate

REF: p. 23

OBJ: LO: 02-04

NAT: AACSB Communication| CB&E Model Online/Computer| Blooms Knowledge

6. Compare and contrast pull technology and push technology.

ANS:

Data and information can be delivered to consumers or other end users via either pull technology or push technology. Conventionally, **pull technology** refers to consumers requesting information from a Web page and the browser then determines a response. Thus, the consumer is essentially asking for the data. In this case, it is said to be pulled through the channel. The opposite of pull is push. **Push technology** sends data to a user's computer without a request being made. In other words, software is used to guess what information might be interesting to consumers based on the patterns of previous responses. Push technology allows personalized information to be delivered to consumers without the need for them to even be physically at their Internet device.

PTS: 1

DIF: Moderate

REF: p. 32

OBJ: LO: 02-04

NAT: AACSB Communication| CB&E Model Online/Computer| Blooms Knowledge