

Chapter 1 - Information Systems in Business

1. What does the "G" stand for in ChatGPT?

- a. Google
- b. Generative
- c. Graphical
- d. Group

ANSWER: b

2. The brief text updates that users of social networking sites can send and receive are called posts.

- a. True
- b. False

ANSWER: True

3. Anyone can upload videos to YouTube, but registration is required to watch videos.

- a. True
- b. False

ANSWER: False

4. Which of the following websites is a social networking site?

- a. Google
- b. ChatGPT
- c. Zoom
- d. Reddit

ANSWER: d

5. Which of the following smartphone apps would be most useful for helping a small business owner manage financial operations?

- a. QuickBooks
- b. OneNote
- c. GroupMe
- d. iPolis

ANSWER: a

6. Which of the following social networking behaviors is most likely to increase your risk of being a victim of cybercrime?

- a. using a 14-character long password that includes uppercase letters, lowercase letters, numbers, and symbols
- b. posting a photo of your family that includes children
- c. posting specific information about a vacation, such as destination and dates
- d. changing your password frequently

ANSWER: c

7. How do information systems differ from information technology?

- a. They do not differ at all.
- b. Information systems are used to help organizations improve their overall efficiency; information technologies are not.

Chapter 1 - Information Systems in Business

c. Information technologies are used to help organizations become more competitive; information systems are not.

d. Information systems are broader in scope than information technologies.

ANSWER: d

8. If marketers want to reach large numbers of consumers who are searching for information about a brand or related products and services, YouTube is a great option.

a. True

b. False

ANSWER: True

9. Which two types of knowledge do 21st-century knowledge workers require to stay competitive?

- a. data collection and processing
- b. computer literacy and information literacy
- c. business intelligence and data indexing
- d. data literacy and business literacy

ANSWER: b

10. Which of the following terms refers to understanding the role of information in generating and using business intelligence?

- a. predictive literacy
- b. information literacy
- c. business literacy
- d. computer literacy

ANSWER: b

11. Computer literacy includes using productivity software and having a basic understanding of hardware, software, the Internet, and collaboration tools.

a. True

b. False

ANSWER: True

12. Information literacy includes providing historical, current, and predictive views of business operations.

a. True

b. False

ANSWER: False

13. Which of the following skills should you focus on to increase your computer literacy?

- a. understanding the role of information in generating business intelligence
- b. understanding predictive views of business operations
- c. evaluating information quality
- d. using productivity software effectively

ANSWER: d

Chapter 1 - Information Systems in Business

14. If an organization wants to improve its business intelligence (BI), which of the following tasks should it focus on?
- a. using productivity software effectively
 - b. evaluating information quality
 - c. understanding predictive views of business operations
 - d. developing a basic knowledge of collaboration tools and technologies

ANSWER: c

15. Business intelligence (BI) gives organizations a competitive edge in the marketplace.

- a. True
- b. False

ANSWER: True

16. A knowledge worker who wants to be competitive should understand how to use data and information to gain a competitive advantage.

- a. True
- b. False

ANSWER: True

17. What is the primary focus of transaction-processing systems (TPSs)?

- a. data collection and processing
- b. computer literacy and information literacy
- c. business intelligence and data indexing
- d. conversion of data to business intelligence

ANSWER: a

18. Which of the following is a characteristic of the operations handled by transaction-processing systems (TPSs)?

- a. involve small amounts of data
- b. repetitive
- c. heavy human involvement
- d. unstructured

ANSWER: b

19. What is the first step in designing a management information system (MIS)?

- a. Collect data.
- b. Clearly define the system's objectives.
- c. Analyze data.
- d. Format information in a way that is useful for decision-making.

ANSWER: b

20. The hardware components of a management information system (MIS) include input, output, and data.

- a. True
- b. False

ANSWER: False

Chapter 1 - Information Systems in Business

21. Which component of an information system serves as the input to the system?

- a. information
- b. process
- c. database
- d. data

ANSWER: d

22. Which of the following terms refers to a collection of relevant data organized in a series of integrated files?

- a. process
- b. information
- c. database
- d. data analytics

ANSWER: c

23. What is the purpose of the process component in an information system?

- a. to provide historical, current, and predictive views of business operations and environments
- b. to generate the most useful type of information for making decisions
- c. to index, organize, and categorize data
- d. to create, organize, and manage databases

ANSWER: b

24. The statement “Company ABC’s sales increased by 10% over the past month” is considered data, not information.

- a. True
- b. False

ANSWER: False

25. An information system’s user interface can affect the usefulness of the information it presents.

- a. True
- b. False

ANSWER: True

26. Records of a company’s monthly sales are considered external data.

- a. True
- b. False

ANSWER: False

27. Which of the following is a key characteristic of a strategic information system (SIS)?

- a. Top management is involved in its development and use.
- b. It is designed to achieve many different goals.
- c. It is mainly managed by one functional area of a business.
- d. It is focused on the present state of the business.

ANSWER: a

28. A strategic information system (SIS) typically includes the same four components as a management information

Chapter 1 - Information Systems in Business

system (MIS).

- a. True
- b. False

ANSWER: True

29. Information systems might use many different information technologies to collect data, process the collected data, and deliver timely, relevant, and useful information that can be used for making decisions.

- a. True
- b. False

ANSWER: True

30. Information is the most important resource in any organization.

- a. True
- b. False

ANSWER: False

31. What is the main difference between an intranet and the Internet?

- a. An intranet is hardware and the Internet is software.
- b. Intranets and the Internet use different protocols and technologies to operate.
- c. Intranets are faster than the Internet.
- d. Intranets are private, and the Internet is public.

ANSWER: d

32. Which type of information system is designed to reduce the cost of transporting materials while maintaining safe and reliable delivery?

- a. financial information system (FIS)
- b. manufacturing information system (MFIS)
- c. personnel information system (PIS)
- d. logistics information system (LIS)

ANSWER: d

33. Which of the following is one of Michael Porter's Five Forces?

- a. overall cost leadership
- b. differentiation
- c. focus
- d. buyer power

ANSWER: d

34. Developing an information system to streamline internal processes and reduce personnel costs is an example of a top-line strategy.

- a. True
- b. False

ANSWER: False

Chapter 1 - Information Systems in Business

35. According to Porter's three strategies and Five Forces Model, if buyer power is high, a company should deploy IT to make it difficult for customers to switch.

- a. True
- b. False

ANSWER: True

36. If an organization wishes to improve their budget allocation, which type of information system should they employ?

- a. human resource information system (HRIS)
- b. manufacturing information system (MFIS)
- c. marketing information system (MKIS)
- d. financial information system (FIS)

ANSWER: d

37. What is the average salary range for IT positions?

- a. \$249,000-\$1,000,000
- b. \$149,000-\$450,000
- c. \$39,000-\$100,000
- d. \$89,000-\$240,000

ANSWER: d

38. Which IT position manages all the hardware, software, and personnel in the information systems department?

- a. chief information security officer
- b. database administrator
- c. chief information officer
- d. manager of information systems services

ANSWER: d

39. Which of the following is a newer IT job created due to the emergence of AI, ChatGPT, and GenAI?

- a. natural language processing engineer
- b. web developer
- c. software engineer
- d. chief privacy officer (CPO)

ANSWER: a

40. The IT position of systems analyst requires a thorough understanding of business systems and functional areas within a business organization.

- a. True
- b. False

ANSWER: True

41. Aspiring data scientists should focus on which of the following skills?

- a. analytical skills and quantitative reasoning
- b. mobile app development
- c. database design and implementation

Chapter 1 - Information Systems in Business

- d. understanding the risks and business impacts of privacy laws and policies

ANSWER:

a

42. Which position should a jobseeker apply for if they desire to write programs that enable information systems to perform specific tasks?

- a. software engineer
- b. chief information officer
- c. network administrator
- d. systems analyst

ANSWER:

a

43. Systems analysts are responsible for the design and implementation of information systems, while computer programmers write the software that allows the information system to perform a specific task.

- a. True
- b. False

ANSWER:

True

44. Which is the most likely result of employing an effective chief information security officer (CISO) in a business?

- a. Network systems deliver correct information to the right decision makers in a timely manner.
- b. Actionable business intelligence (BI) is generated and used for effective decision-making.
- c. Rivalry from existing competitors is reduced.
- d. Information assets and technologies are protected against internal and external threats.

ANSWER:

d

45. Which term refers to widespread applications and deployment of devices that know users, their devices, and their locations and serve as intelligent assistants to businesses and individuals?

- a. pervasive analytics
- b. Internet of Things (IOT)
- c. cloud computing
- d. context-aware computing

ANSWER:

d

46. Which of the following refers to the presence everywhere of computing devices with different sizes and power and accessed through multiple formats such as voice, touch, and gesture?

- a. cloud computing
- b. quantum computing
- c. GenAI
- d. ubiquitous computing

ANSWER:

d

47. Which company developed the Azure cloud computing platform?

- a. Google
- b. Microsoft
- c. Apple

Chapter 1 - Information Systems in Business

d. Meta

ANSWER:

b

48. Which of the following future predictions is most likely to be accurate?

- a. Personal computers and tablets will improve in power and quality.
- b. Hardware and software costs will increase.
- c. The computer literacy of typical information system users will decline.
- d. Protecting personal information will become easier.

ANSWER:

a

49. In the future, Internet growth will help put small and large organizations on the same footing, regardless of their financial status.

- a. True
- b. False

ANSWER:

True

50. Organizations should expect information systems to become more affordable in the future.

- a. True
- b. False

ANSWER:

True

51. Social networking sites can reduce organizations' costs by _____.

- a. giving customers more access to all sorts of organizational information
- b. limiting buyers' choices by offering services that make it difficult for customers to switch
- c. providing an inexpensive medium for targeting a large customer base
- d. customizing the organization's website and offering many options to customers

ANSWER:

c

52. In the context of the data component of an information system, internal data sources include _____.

- a. population statistics
- b. personnel records
- c. economic conditions
- d. government agencies

ANSWER:

b

53. In the context of the data component of an information system, external data sources include _____.

- a. transaction data
- b. personnel records
- c. labor statistics
- d. sales records

ANSWER:

c

54. Teletech, an international textile company, uses a database to store data on the number of products, suppliers, and sales personnel. The information system's process component analyzes the data to provide information about sales. Which

Chapter 1 - Information Systems in Business

of the following can be used by Teletech to generate predictions for its next sales period?

- a. estimation graphs
- b. modeling charts
- c. forecasting models
- d. theoretical hypotheses

ANSWER:

c

55. In the context of Porter's Five Forces Model, what is the difference between buyer and supplier power?

- a. Buyer power is low when customers have many choices, whereas supplier power is low when customers have fewer options.
- b. Buyer power is high when customers have few choices, whereas supplier power is high when customers have more options.
- c. Buyer power is low when customers have many options, whereas supplier power is low when customers have more choices.
- d. Buyer power is high when customers have many choices, whereas supplier power is high when customers have fewer options.

ANSWER:

d

56. Which of the following refers to building and integrating analytics capabilities into all everyday business activities?

- a. artificial intelligence
- b. business analytics
- c. business intelligence
- d. pervasive analytics

ANSWER:

d

57. Which of the following is part of the Five Forces Model created by Michael Porter?

- a. rivalry among customers
- b. government regulations
- c. the threat of new entrants
- d. taxable services

ANSWER:

c

58. Why would an organization decide to hire a CISO?

- a. to combat the increasing number of data breaches
- b. to combat high wages of network admins
- c. to reduce the load from the CIO
- d. to establish better internet protocols

ANSWER:

a

59. An intern has working knowledge of productivity apps such as word processors and spreadsheets. However, they do not understand the role of information in generating and using business intelligence. What type of literacy should the intern focus on developing?

- a. information literacy
- b. computer literacy

Chapter 1 - Information Systems in Business

- c. application literacy
- d. documentation literacy

ANSWER:

a

60. What did Apple do as an example of a focus strategy?

- a. target consumer users instead of business users
- b. target business users instead of consumers users
- c. target a younger generation instead of an older generation
- d. target all the different segments at once

ANSWER:

a

61. Walmart uses technology to support a just-in-time inventory system. What type of competitive advantages does this provide?

- a. focus
- b. cost
- c. differentiation
- d. supplier

ANSWER:

b

62. How have retail businesses used RFID technologies to support logistics?

- a. to control the location of their personnel
- b. to control the costs of goods sold
- c. to reduce the need to stock shelves
- d. to have better control of their supply chain and inventory management

ANSWER:

d

63. How do streaming companies like Netflix utilize data mining to their benefit?

- a. It tailors recommendations to individual customers.
- b. It creates an additional revenue source from customers.
- c. It creates an additional revenue source by selling customer information.
- d. It tailors customers' shopping needs based on their watch history.

ANSWER:

a

64. Business _____ provides historical, current, and predictive views of business operations and environments and gives organizations a competitive advantage in the marketplace.

- a. differentiation
- b. indexing
- c. intelligence
- d. exploration

ANSWER:

c

65. Which of the following statements is true of the data component of an information system?

- a. Current data is collected for performance reports.

Chapter 1 - Information Systems in Business

- b. Disaggregated data reports overall performance during a particular sales quarter.
- c. Aggregated data enables decision-makers to focus on specific factors.
- d. Future data is predicted for budgets or cash flow reports.

ANSWER: d

66. In the context of IT jobs in the information systems field, how does the network administrator help protect an organization's infrastructure?

- a. performs user authorization
- b. by providing network security and cybersecurity
- c. performs user authentication
- d. creates cron jobs to run automatically

ANSWER: b

67. What components are usually included in an SIS?

- a. data, databases, process, and information
- b. data and databases
- c. processes and information
- d. data, processes, and information

ANSWER: a

68. How can an MIS system help identify crime statistics and assist with the allocation of law enforcement personnel?

- a. An MIS can use police scanners to identify areas of expected higher crime and allocate law enforcement personnel based on that information.
- b. Statistics can be used to find increases and decreases in crime and determine future deployments of law enforcement personnel.
- c. Statistics are gathered from a group consensus of informants requesting increased police presence.
- d. MIS systems scan social media sites to find areas of expected higher crime rates.

ANSWER: b

69. What does the Strategic Information System focus on?

- a. granular goals of an organization
- b. big-picture, long-term goals
- c. short-term, monumental goals of an organization
- d. big-picture, short-term goals

ANSWER: b

70. You are new in town and looking for a car wash. As you drive through the main street, you see five car wash establishments within four blocks of each other. How would you describe the rivalry?

- a. low rivalry because they share the same geographic area
- b. low rivalry because they all have the same type of business
- c. non-compete rivalry, or they couldn't be so close together
- d. high rivalry because they occupy the same marketplace position

ANSWER: d

Name _____ Class _____ Date _____
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Chapter 1 - Information Systems in Business