

## Chapter 02 Major Business Initiatives: Gaining Competitive

### Multiple Choice Questions

1. What is smack shopping according to Mark McGuire?
- A. Online shopping
  - B. Traditional shopping with online customer support
  - C. Online shopping with a quick turnaround sale to an auction site
  - D.** Online collaborative shopping by groups of customers

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*

2. What is a distribution chain?
- A. The path a product follows once it leaves the warehouse
  - B. The business partners involved with supplying and distributing products or services
  - C.** The path a product or service follows from the originator of it to the consumer
  - D. The distribution list for e-communications established for any product or service

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

3. In contemporary business, success depends on minimizing the \_\_\_\_\_ in an attempt to reduce the costs of producing and selling products or services.

- A. Level of internal communications
- B. Level of customer support
- C. Distribution chain**
- D. Complexity of needed information technology

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

4. Which of the following activities tracks inventory and information among business processes and across companies?

- A. Supply chain management (SCM)**
- B. Enterprise resource management (ERM)
- C. Business intelligence (BI)
- D. Distribution information systems (DIS)

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

5. Which of the following is a method for producing or delivering a product or service just at the time the customer wants it?

- A. Direct sales
- B. Just-in-time manufacturing**
- C. Hyper manufacturing
- D. Immediate production

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

6. If you were to purchase a car before it was manufactured and the assembly of that car was dictated by your requirements, you would be utilizing which type of manufacturing process?

- A. Customer-driven manufacturing
- B.** Just-in-time manufacturing
- C. Customized construction
- D. Transaction-based production

*AACSB: Reflective Thinking Skills*  
*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 1*  
*Taxonomy: Synthesis and Evaluation*

7. Which type of transportation uses multiple channels to transport products from the manufacturing location to the customer destination?

- A. Hyper
- B. Divergent
- C.** Inter-modal
- D. Complex

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 1*  
*Taxonomy: Application and Analysis*

8. The complexity of SCM is supported by technology. Which intricate SCM activity needs strong monitoring by SCM systems?

- A. Multi-channel service delivery
- B. Customer tracking
- C.** Inter-modal transportation
- D. Sales force tracking

*AACSB: Reflective Thinking Skills*  
*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 1*  
*Taxonomy: Synthesis and Evaluation*

Chapter 02 - Major Business Initiatives: Gaining Competitive

9. What is the primary focus of supply chain management (SCM)?

- A. Overall cost leadership
- B. Bottom-line initiative
- C. Run-grow-transform
- D.** Overall cost leadership and bottom-line initiative

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 1*

*Taxonomy: Knowledge and Understanding*

10. Which of the following results from a well-designed supply chain management system?

- A. Enhanced fulfillment of supplies needed for production
- B. Minimizing transportation costs
- C. The smooth production of products
- D.** Well-designed SCM systems can enhance any of these stated activities

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 1*

*Taxonomy: Knowledge and Understanding*

11. In relation to SCM, what is an information partnership?

- A. Sharing production information with potential customers
- B.** Two or more companies cooperating by integrating their IT systems
- C. Competitive suppliers providing production schedules to the manufacturer
- D. Functional areas within your business sharing information

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 1*

*Taxonomy: Knowledge and Understanding*

12. Which type of software dominates the supply chain management (SCM) environment?

- A. Transaction processing
- B. E-collaboration
- C. Front office systems
- D.** Enterprise resource planning

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 1*

*Taxonomy: Knowledge and Understanding*

13. For a moment, imagine yourself visiting your local florist to order flowers for a party you were preparing for. The florist, however, did not have the type of flower arrangement you hoped for but the florist was able to immediately find, order and deliver this arrangement directly to your home from their supplier. What kind of relationship does this represent?

- A.** An information partnership
- B. A collaborative business
- C. Dynamic communication
- D. Customer sharing

*AACSB: Reflective Thinking Skills*

*AACSB: Use of Information Technology*

*Difficulty: Hard*

*Learning Objective: 1*

*Taxonomy: Synthesis and Evaluation*

14. Which of the following systems uses information about customers to gain insights into their needs, wants, and behaviors in order to serve them better?

- A. Supply chain management (SCM)
- B. Transaction information processing (TIP)
- C. Enterprise resource management (ERP)
- D.** Customer relationship management (CRM)

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*

15. Which term describes a business' approach to offering multiple ways in which customers can interact with it?

- A. Customer relationship management (CRM)
- B. Customer collaborative systems (CCS)
- C. Multi-channel service delivery
- D. Multi-path convergence

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*

16. What is a fundamental goal of CRM systems?

- A. To provide customers with information partnerships
- B. To lower the costs of maintain inventory systems
- C. To manage and track customer interactions
- D. To manage, track, and supply products and services to customers in a timely manner

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*

17. What is the difference between SCM and CRM?

- A. CRM records information about products and services; SCM records information about customers
- B. CRM stores and processes transactional information; CRM stores and process business intelligence
- C. SCM manages product information; CRM manages customer information
- D. CRM records and processes operational data; SCM records and processes tactical information

*AACSB: Reflective Thinking Skills*

*AACSB: Use of Information Technology*

*Difficulty: Hard*

*Learning Objective: 2*

*Taxonomy: Synthesis and Evaluation*

18. Is CRM software?

- A. No, it is a total business objective consisting of hardware, software, processes, and goals
- B. Yes, it is the software solutions that make up a CRM system
- C. CRM is a process, not IT
- D. CRM is a way of thinking supported by the culture of business people and customers

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 2*

*Taxonomy: Application and Analysis*

19. Customer relationship management (CRM) systems include which of the following functions?

- A. Sales force automation
- B. Customer service and support
- C. Marketing campaign management and analysis
- D. All of the above

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*

20. One function in CRM is the sales force automation (SFA) system. What is its purpose?

- A. To track all the steps in the sales process
- B. To track the movements of salespeople so that, at any moment, the company can determine where they are located
- C. To track products as they move from inventory to the customer
- D. To tracks the sales process and the movement of people and products

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 2*

*Taxonomy: Application and Analysis*

Chapter 02 - Major Business Initiatives: Gaining Competitive

21. What of the following *is not* the primary focus of customer relationship management?

- A. Bottom-line initiative (reducing operating costs)
- B. Differentiation and focus (Porter's three generic strategies)
- C. Top-line initiative (revenue enhancement)
- D. Growing the organization (RGT framework)

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*

22. Which of the following systems primarily concentrates on the customer?

- A. CRM
- B. ERP
- C. SCM
- D. CCM

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*

23. IT supports CRM with front and back office systems. Which statement describes a front office system?

- A. The notepad that salespeople use to record customer information while at the customer site
- B. The computer interfaces that collect customers' information and sends it to the main information system
- C. The computer systems that process customer orders and other customer information
- D. The systems that interact with the supply chain management systems

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*



24. What is the difference between front and back office systems?

- A. Front office systems are external systems; back office systems are internal
- B. Front office systems are Web based; back office systems are built on database systems
- C. Front office systems process information in the beginning of a customer's transaction; back office systems process information at the end of the customer's transaction**
- D. Front office systems focus on getting the sale; back office systems focus on follow-up

*AACSB: Reflective Thinking Skills*  
*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 2*  
*Taxonomy: Synthesis and Evaluation*

25. What type of technology is needed to support integrated collaborative work environments, knowledge management, social networking, e-learning, and open-source collaboration?

- A. ERP
- B. V-systems
- C. ICE
- D. E-collaboration**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

26. Which type of online environment supports virtual teams and the online activities they complete?

- A. Integrated collaboration environments (ICEs)**
- B. V-systems
- C. Wiki
- D. Geographical information systems (GIS)

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

27. If you were working on a project with a team whose membership was spread out over the US, Europe, and Asia, you would probably be working on a(n) \_\_\_\_\_ team.

- A. Multi-spectrum
- B. Shared partnered
- C. Cross-organizational
- D.** Virtual

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 3*

*Taxonomy: Application and Analysis*

28. What term is used to describe teams whose members are located in varied geographical locations and whose work is supported by specialized ICE software?

- A.** Virtual team
- B. Innovative crews
- C. E-teams
- D. ICEware

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 3*

*Taxonomy: Knowledge and Understanding*

29. Which type of system improves the performance of teams by supporting the sharing and flow of information?

- A. E-communication
- B. E-messaging
- C. Workflow
- D.** Collaborative

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 3*

*Taxonomy: Knowledge and Understanding*

30. Which type of system facilitates the automation and management of business processes?

- A. E-systems
- B. Workflow**
- C. Alliance
- D. Integrated

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

31. Which of the following terms is used to define all the steps or business rules, from beginning to end, required for a business process?

- A. Business conventions
- B. Workflow**
- C. Work method
- D. Organizational practice

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

32. Which type of information system manages a document through all the stages of its processing?

- A. Word processing system
- B. Database management system
- C. File management system
- D. Document management system**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

33. Which type of system supports the capturing, organizing, and dissemination of knowledge throughout the organization?

- A. Database management (DBM) system
- B. Knowledge management (KM) system**
- C. Business Intelligence (BI) system
- D. Brainpower.com

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

34. The objective of a \_\_\_\_\_ system is to ensure that the knowledge contained within the minds of the employees is available to that organization.

- A. Database management
- B. Business intelligence
- C. Information
- D. Knowledge management**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 3*  
*Taxonomy: Application and Analysis*

35. If you were to create, read, or respond to a blog on Facebook, you would be working with which of the following applications?

- A. Knowledge management
- B. Social networking site**
- C. E-Communication
- D. E-Community

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

36. What is the difference between a social networking site and a social networking system?

- A. A social networking site is a physical location; a social networking system is a virtual location
- B. A social networking site is a virtual place to socialize; a social networking system is the tools that link you to people**
- C. A social networking is a local space; a social networking is a global space
- D. The two phrases can be used interchangeably

*AACSB: Reflective Thinking Skills*  
*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 3*  
*Taxonomy: Synthesis and Evaluation*

37. Do businesses use social networking systems?

- A. Not during business hours or with organizational systems
- B. Contemporary businesses provide space in their systems for socializing but time and space is limited and monitored
- C. Yes, to connect to influential people from outside your immediate environment or organization**
- D. Social networking systems are an emerging technology whose potential is still unknown

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 3*  
*Taxonomy: Application and Analysis*

38. What is an e-learning tool?

- A. Online testing environments
- B. Wizards that accompany applications
- C. Online encyclopedias
- D. IT-enabled systems that facilitate learning**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

39. What is a Wiki?

- A. A product, such as a Webkinz, who is tied to a virtual life through the manufacturer
- B. A Web site that allows you to create, change, or eliminate content**
- C. A reference site for technical information related to the Web; the sites are usually geared towards e-learning
- D. Technology that supports virtual relationships and social networking

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

40. According to the authors, which information technology will change the face of business with respect to finding and making new contacts and facilitating learning?

- A. Wiki
- B. V-learning and e-communication
- C. Social networking and e-learning**
- D. Webcasting and podcasting

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

41. The IT \_\_\_\_\_ within an organization will determine the philosophical approach to IT development, deployment, and usage.

- A. Strategic management team
- B. Department
- C. Leadership
- D. Culture**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

42. The structure of IT develops from the culture within that organization and can develop into what type of approach?

- A. Top-down silo
- B. Matrix
- C. Fully-integrated
- D.** Top-down silo, matrix, or fully-integrated

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

43. A \_\_\_\_\_ IT structure develops from a strong "command and control" management approach.

- A. Fully-integrated
- B. Matrix
- C.** Top-down silo
- D. Most IT structures develop from a strong "command and control" management approach

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

44. A \_\_\_\_\_ IT structure develops from a centralized IT department; one that serves the whole organization and not just a piece of it.

- A.** Top-down silo
- B. Fully-integrated
- C. Matrix
- D. Operational

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*

45. A \_\_\_\_\_ IT structure develops from decentralized IT functional units; these units support an individual department or functional area.

- A. Fully-integrated
- B. Top-down silo
- C. Operational
- D. Matrix

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 4*

*Taxonomy: Application and Analysis*

46. What is the title for the person responsible for overseeing every aspect of an organization's information resource?

- A. CIO (chief information officer)
- B. CTO (chief technology officer)
- C. CSO (chief security officer)
- D. CPO (chief privacy officer)

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 4*

*Taxonomy: Knowledge and Understanding*

47. What is the title for the person responsible for overseeing both the underlying IT infrastructure within an organization and the user-facing technologies?

- A. CIO (chief information officer)
- B. CPO (chief privacy officer)
- C. CSO (chief security officer)
- D. CTO (chief technology officer)

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 4*

*Taxonomy: Knowledge and Understanding*



48. What is the title for the person responsible for the technical aspects of ensuring the security of information such as the development and use of firewalls, intranets, extranets, and anti-virus software?

- A. CTO (chief technology officer)
- B. CIO (chief information officer)
- C. CPO (chief privacy officer)
- D.** CSO (chief security officer)

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

49. What is the title for the person responsible for ensuring that information is used in an ethical way and that only the right people have access to certain types of information?

- A.** CPO (chief privacy officer)
- B. CIO (chief information officer)
- C. CTO (chief technology officer)
- D. CSO (chief security officer)

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

50. If one of your responsibilities within an organization was to determine who had access to employee's social security ID, your title would probably be \_\_\_\_.

- A. CIO (chief information officer)
- B. CTO (chief technology officer)
- C. CSO (chief security officer)
- D.** CPO (chief privacy officer)

*AACSB: Reflective Thinking Skills*  
*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 4*  
*Taxonomy: Synthesis and Evaluation*

51. If every technology officer working for your organization reported to you, your title would be \_\_\_\_\_.

- A. CTO (chief technology officer)
- B. CSO (chief security officer)
- C. CIO (chief information officer)**
- D. CPO (chief privacy officer)

*AACSB: Reflective Thinking Skills*  
*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 4*  
*Taxonomy: Synthesis and Evaluation*

52. If you rewarded employees for trying new technologies even if they prove to be unsuccessful, what would you be encouraging?

- A. Increased risk of failure
- B. Technology innovative failure**
- C. Emerging technology
- D. Runaway trains

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

53. What is an advantage of being an early adopter of technology?

- A. Increasing the competitive advantage of the organization**
- B. Enhancing the reputation of the organization
- C. Cutting operational costs
- D. Increasing productivity

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

54. What is the advantage of being a late adopter of technology (wait-and-see organization)?

- A. Minimizing wasted spending and loss of productivity
- B. Increasing market share by grabbing disgruntled customers from the competition
- C. Increasing overall revenues by cutting operational costs
- D. Enhancing the reputation of the organization

*AACSB: Reflective Thinking Skills*  
*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 4*  
*Taxonomy: Synthesis and Evaluation*

55. What is an enterprise resource planning (ERP) system?

- A. An integrated software system for every functional area within an organization
- B. A collaborative document management system that stores and manages documents needed by the entire organization
- C. A database management system that maintains information on the information resources for the entire enterprise
- D. A strategic planning methodology that promotes enterprise-wide planning rather than decentralized planning

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 5*  
*Taxonomy: Knowledge and Understanding*

56. If you needed direct access to stored information from another functional area within your organization, what type of system would you need?

- A. Legacy information system (LIS)
- B. Data warehouse
- C. Enterprise-wide database management system (E-DBM)
- D. Enterprise resource planning system (ERP)

*AACSB: Reflective Thinking Skills*  
*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 5*  
*Taxonomy: Synthesis and Evaluation*

57. What is a legacy information system (LIS)?

- A. A massive, outdated information system
- B. A powerful DBMS that supports ERP
- C. A Web-based information system that connects the information collected from distinct systems
- D. A retired information system

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 5*

*Taxonomy: Application and Analysis*

58. Which of the following *is not* required of an ERP system?

- A. Modular design
- B. Decentralized database systems
- C. Integrated functions
- D. Internet-enabled

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 5*

*Taxonomy: Knowledge and Understanding*

59. What is open-source information?

- A. Programming code that is available or open to customers
- B. Information that is linked with the originator of the information and any related sources of information
- C. Evolving information or information that can be edited by the community that uses it
- D. Information that requires further investigation into its credibility

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 5*

*Taxonomy: Knowledge and Understanding*

60. Which term describes an approach that produces or delivers a product or service just at the time the customer wants it?

- A.** Just-in-time
- B. Supply chain
- C. Distribution chain
- D. Value chain

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

61. Optimizing what ensures that the right quantity of parts arrive at the right time for production or sale?

- A. Logistics
- B. Production
- C. Cost and Price
- D.** Fulfillment

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 1*  
*Taxonomy: Application and Analysis*

62. Optimizing what keeps the cost of transporting materials as low as possible?

- A.** Logistics
- B. Production
- C. Cost and Price
- D. Fulfillment

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 1*  
*Taxonomy: Application and Analysis*

63. Which of the following systems can be used to gain insights into the needs, wants, and behaviors of customers?

- A. Sales force automation systems (SFA)
- B. Customer relationship management systems (CRM)**
- C. Transaction processing systems (TPS)
- D. Collaborative information systems (CIS)

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 2*  
*Taxonomy: Knowledge and Understanding*

64. Which of the following systems can perform sales lead tracking, contact management, and market analysis?

- A. Sales force automation systems (SFA)**
- B. Customer relationship management systems (CRM)
- C. Transaction processing systems (TPS)
- D. Collaborative information systems (CIS)

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 2*  
*Taxonomy: Application and Analysis*

65. Which systems are typically used to support customers or sales?

- A. Back office systems
- B. Front office systems**
- C. Side office systems
- D. Information sales systems

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 2*  
*Taxonomy: Knowledge and Understanding*

66. Which systems are typically used to fulfill and support customer orders?

- A.** Back office systems
- B. Front office systems
- C. Side office systems
- D. Information sales systems

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 2*  
*Taxonomy: Knowledge and Understanding*

67. Which of the following is an IT system that supports the capturing, organization, and dissemination of knowledge?

- A. Business process management system
- B.** Knowledge management system
- C. Workflow system
- D. Automatic workflow system

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

### **True / False Questions**

68. The distribution chain is simply the path followed from the distributor of a product or service to the end consumer.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 1*  
*Taxonomy: Application and Analysis*

69. A supply chain management system automates inventory tracking but still requires that information be transferred manually.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

70. A back office system is used to fulfill and support customer orders.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 2*  
*Taxonomy: Knowledge and Understanding*

71. The chief information officer (CIO) is responsible for overseeing every aspect of an organization's information resource.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 5*  
*Taxonomy: Application and Analysis*

72. The chief security officer is responsible for the ethical use of information within an organization.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 5*  
*Taxonomy: Application and Analysis*



73. The chief technology officer is responsible for overseeing both the underlying IT infrastructure within an organization and the user-facing technologies.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 5*  
*Taxonomy: Knowledge and Understanding*

74. The chief privacy officer is responsible for ensuring that only the people who should see information have access to that information.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 5*  
*Taxonomy: Application and Analysis*

75. The document management system manages a document through all the stages of its processing.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

76. An e-collaboration system supports integrated collaborative work environments, knowledge management, social networking, e-learning, and open-source collaboration.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

77. Enterprise resource planning (ERP) systems primarily support the strategic planning processes and the creation of tactical information.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 5*  
*Taxonomy: Application and Analysis*

78. Information partnerships require the integration of IT systems from two or more independent companies.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 1*  
*Taxonomy: Application and Analysis*

79. Virtual teams work in an integrated collaboration environment (ICE).

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

80. The IT structure determines the culture within an organization.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*

81. Business intelligence supports the capturing, organization, and dissemination of knowledge throughout an organization.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

82. A legacy information system is a powerful system capable of supporting the needs of many functional areas in business.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 5*  
*Taxonomy: Application and Analysis*

83. When a business offers multiple ways in which customers can interact with it, its approach is a multi-channel service delivery.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 2*  
*Taxonomy: Knowledge and Understanding*

84. Open source information is software for which the code is available and free to the customer.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*

85. CRM systems automatically track all of the steps in the sales process.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 2*  
*Taxonomy: Knowledge and Understanding*

86. Virtual team members are typically located in the same geographic areas.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

87. Collaboration systems are designed to support the sharing and flow of information between companies.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

88. A social networking site is a virtual space that allows people to build and maintain friendships.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 3*  
*Taxonomy: Application and Analysis*

89. Domestic supply chains rarely use inter-modal transportation.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

90. Revenue and profit are optimized by a well-designed supply chain management.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

91. Supply chain management includes fulfillment.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

92. A social networking system is the set of links and communication privileges for an online social community.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 3*  
*Taxonomy: Application and Analysis*

93. When a company encourages its employees to seek new and innovative ways to use technology without punishment of failure, that company supports the theory of Porter's 5 Force Model.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*

94. A nanonite is a Web site that allows you to create, change, or eliminate content from their site.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

95. A "work course" defines all of the steps or business rules, from beginning to end, required for a business process.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

96. Customer relationship management systems cannot help you acquire new customers.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 2*  
*Taxonomy: Application and Analysis*

97. Customer relationship management should be completely based upon software—there are no other components to consider.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 2*  
*Taxonomy: Application and Analysis*

98. A CRM system only interfaces with a front office system to better serve the customer.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 2*  
*Taxonomy: Application and Analysis*

99. Posting a customer payment would be an example of a business process.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 2*  
*Taxonomy: Application and Analysis*

100. A work course system facilitates the automation and management of business processes.

**FALSE**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

101. Both the front office and the back office systems send customer information to the corporate database.

**TRUE**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 2*  
*Taxonomy: Application and Analysis*

### **Fill in the Blank Questions**

102. The \_\_\_\_\_ is responsible for overseeing an organization's information resource.

**Chief information officer (CIO)**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 4*  
*Taxonomy: Knowledge and Understanding*

103. \_\_\_\_\_ occurs when two or more companies cooperate by integrating their IT systems.

**Information partnership**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

104. The chief \_\_\_\_\_ officer is responsible for ensuring that information is used in an ethical way and that only the right people have access to certain types of information.

**privacy**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*



105. The chief \_\_\_\_\_ officer is responsible for overseeing every aspect of an organization's information resources.

**information**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*

106. The chief \_\_\_\_\_ officer is responsible for the technical aspects of ensuring the security of information.

**security**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*

107. \_\_\_\_\_ are groups of buyers on a chat board who collaborate on their online purchases.

**Smacks**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*

108. \_\_\_\_\_ is a method for producing or delivering a product or service at the time the customer wants it.

**Just-in-time (JIT)**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

109. \_\_\_\_\_ is the use of multiple channels of transportation used to move products from their source to the customer.

**Inter-modal transportation**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 1*  
*Taxonomy: Application and Analysis*

110. A \_\_\_\_\_ system automatically tracks the steps in the sales process.

**Sales force automation (SFA)**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

111. If you were to create a list of potential customers for your sales team to contact, you would be undertaking \_\_\_\_\_.

**Sales lead tracking**

*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 2*  
*Taxonomy: Synthesis and Evaluation*

112. \_\_\_\_\_ tracks a salesperson contacting habits of potential customers.

**Contact management**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 2*  
*Taxonomy: Application and Analysis*

113. Business \_\_\_\_\_ is a standard set of activities to accomplish a specific task.

**Process**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 5*  
*Taxonomy: Knowledge and Understanding*

114. \_\_\_\_\_ is the use of technology to support work activities with integrated collaboration environments.

**E-collaboration**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

115. \_\_\_\_\_ are IT-enabled systems that facilitate learning.

**E-learning**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

116. The \_\_\_\_\_ is the path followed from the originator of a product to the end consumer.

**distribution chain**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 5*  
*Taxonomy: Knowledge and Understanding*

117. \_\_\_\_\_ is an approach that produces or delivers a product or service just at the time the customer wants it.

**Just-in-time**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

118. \_\_\_\_\_ tracks inventory and information among business processes and across companies.

**Supply chain management**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

119. A supply chain management system automates the tracking of \_\_\_\_\_ and information among business processes and across companies.

**Inventory**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

120. A(n) \_\_\_\_\_ helps companies understand customer needs so that they can serve them better.

**customer relationship management system**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 2*  
*Taxonomy: Application and Analysis*

121. A(n) \_\_\_\_\_ tracks all steps in the sales process.

**Sales force automation system**

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*

122. A(n) \_\_\_\_\_ is used to fulfill and support customer orders.

**Back office system**

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*

123. A(n) \_\_\_\_\_ serves as the primary interface for customers and the sales process.

**Front office system**

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 2*

*Taxonomy: Knowledge and Understanding*

124. A \_\_\_\_\_ is a web site that allows its visitor to create, edit, change, and even eliminate content from its site.

**wiki**

*AACSB: Use of Information Technology*

*Difficulty: Easy*

*Learning Objective: 3*

*Taxonomy: Knowledge and Understanding*

125. A \_\_\_\_\_ approach to structuring IT often occurs when there is a strong "command and control" management style.

**top-down silo**

*AACSB: Use of Information Technology*  
*Difficulty: Medium*  
*Learning Objective: 4*  
*Taxonomy: Application and Analysis*

126. A \_\_\_\_\_ approach to structure IT often occurs when there are IT personnel working within individual function areas within an organization.

**fully-integrated**

*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 4*  
*Taxonomy: Synthesis and Evaluation*

127. A company must complete all steps in a \_\_\_\_\_ to complete a business process.

**Workflow**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 5*  
*Taxonomy: Knowledge and Understanding*

128. A(n) \_\_\_\_\_ facilitates the automation and management of business processes.

**Workflow system**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 2*  
*Taxonomy: Knowledge and Understanding*

129. Many companies, such as banks, maintain copies of your documents for many years. A(n) \_\_\_\_\_ system could be used to track these.

**Document management**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

130. A(n) \_\_\_\_\_ supports the capturing, organization, and dissemination of knowledge.

**Knowledge management system**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 3*  
*Taxonomy: Knowledge and Understanding*

131. A(n) \_\_\_\_\_ links you to people you know, and from there, to people your contacts know.

**Social network system**

*AACSB: Use of Information Technology*  
*Difficulty: Hard*  
*Learning Objective: 5*  
*Taxonomy: Synthesis and Evaluation*

132. \_\_\_\_\_ refers to ensuring the right quantity of parts for production or products for sale arrive at the right time.

**Fulfillment**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

133. \_\_\_\_\_ refers to keeping the costs of transportation as low as possible consistent with safe and reliable delivery.

**Logistics**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

134. \_\_\_\_\_ refers to ensuring that production lines function smoothly because high quality parts are available as needed.

**Production**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*

135. \_\_\_\_\_ refer to ensuring that no sales are lost because sales are empty.

**Revenue and profit**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 2*  
*Taxonomy: Knowledge and Understanding*

136. \_\_\_\_\_ refer to keeping the cost of purchased parts and products at acceptable levels.

**Costs and Price**

*AACSB: Use of Information Technology*  
*Difficulty: Easy*  
*Learning Objective: 1*  
*Taxonomy: Knowledge and Understanding*



137. \_\_\_\_\_ is a total business objective which encompasses many different aspects of a business including software, hardware, services, support, and strategic business goals.

**Customer relationship management**

*AACSB: Use of Information Technology*

*Difficulty: Medium*

*Learning Objective: 2*

*Taxonomy: Application and Analysis*