

**Chapter 1 - Information Systems: An Overview**

**True / False**

1. The most common personal digital assistant (PDA) is a smartphone.

- a. True
- b. False

**ANSWER:** True

**RATIONALE:** Correct

The most common PDA is a smartphone (such as an iPhone, Galaxy, Droid, or a Blackberry). See 1-1: Computers and Information Systems in Daily Life

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Discuss common applications of computers and information systems.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01

**TIVES:**

**TOPICS:** Information systems  
Information systems importance

**KEYWORDS:** Remember

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

- a. True
- b. False

**ANSWER:** True

**RATIONALE:** Correct

Information systems are broader in scope than information technologies, but the two overlap in many areas. Both are used to help organizations be more competitive and to improve their overall efficiency and effectiveness. See 1-1: Computers and Information Systems in Daily Life

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss common applications of computers and information systems.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01

**TIVES:**

**TOPICS:** Information systems  
Information systems importance

**KEYWORDS:** Understand

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3. In a management information system (MIS) application, processes are usually methods for performing a task.

- a. True
- b. False

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**ANSWER:** True  
**RATIONALE:** Correct  
In an MIS application, processes are usually methods for performing a task. See 1-4: Management Information Systems  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**REFERENCES:** Define management information systems.  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.04  
**TOPICS:** Management information systems  
**KEYWORDS:** Understand  
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4. In designing a management information system (MIS), the first task is to collect data and analyze it.

- a. True
- b. False

**ANSWER:** False  
**RATIONALE:** Correct  
In designing an MIS, the first task is to clearly define the system's objectives. See 1-4: Management Information Systems  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**REFERENCES:** Define management information systems.  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.04  
**TOPICS:** Management information systems  
**KEYWORDS:** Understand  
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5. An information system should collect data from both external and internal sources, although organizational objectives and the type of application also determine what sources to use.

- a. True
- b. False

**ANSWER:** True  
**RATIONALE:** Correct  
The information that users need affects the type of data that is collected and used. An information system should collect data from both external and internal sources, although organizational objectives and the type of application also determine what sources to use. See 1-5: Major Components of an Information System  
**POINTS:** 1

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**DIFFICULTY:** Moderate

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:**

Information system components

**KEYWORDS:** Understand

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6. Customers, competitors, and suppliers are examples of internal data sources of an information system.

a. True

b. False

**ANSWER:** False

**RATIONALE:** Correct

Customers, competitors, and suppliers are examples of external data sources of an information system. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:**

Information system components

**KEYWORDS:** Remember

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7. In a management information system (MIS), the quality of information is determined by its usefulness to users, and its usefulness determines the success of the information system.

a. True

b. False

**ANSWER:** True

**RATIONALE:** Correct

In an MIS, the quality of information is determined by its usefulness to users, and its usefulness determines the success of the information system. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss the differences between data and information.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.06

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**TIVES:**

**TOPICS:** Information system components

**KEYWORDS:** Understand

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8. To be useful, information must be able to integrate with other data and information.

- a. True
- b. False

**ANSWER:** True

**RATIONALE:** Correct

To be useful, information must be able to integrate with other data and information. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss the differences between data and information.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.06

**TIVES:**

**TOPICS:** Information system components

**KEYWORDS:** Understand

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9. When solving problems, the users of an information system must avoid using informal information.

- a. True
- b. False

**ANSWER:** False

**RATIONALE:** Correct

In addition to the formal information that an information system generates, users need to be able to make use of informal information-such as rumors, unconfirmed reports, and stories-when solving problems. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss the differences between data and information.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.06

**TIVES:**

**TOPICS:** Information system components

**KEYWORDS:** Understand

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10. The main difference between an intranet and the Internet is that intranets are public and the Internet is private.

- a. True
- b. False

**ANSWER:** False

**RATIONALE:** Correct

The main difference between an intranet and the Internet is that intranets are private and the Internet is public. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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11. A logistics information system supports decisions related to providing reports and statistics on employee demographics.

- a. True
- b. False

**ANSWER:** False

**RATIONALE:** Correct

A personnel information system supports decisions related to providing reports and statistics on employee demographics. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Remember

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12. An effective financial information system should provide timely, accurate, and integrated information about the marketing mix-4Ps: price, promotion, place, and product.

- a. True

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b. False

**ANSWER:** False

**RATIONALE:** Correct

An effective marketing information system should provide timely, accurate, and integrated information about the marketing mix-4Ps: price, promotion, place, and product. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TOPICS:**

Information systems  
Information technologies

**KEYWORDS:** Understand

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13. The threat of new entrants into the marketplace is high when duplicating a company's product or service is difficult.

a. True  
b. False

**ANSWER:** False

**RATIONALE:** Correct

The threat of new entrants into the marketplace is low when duplicating a company's product or service is difficult. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09

**TOPICS:**

Five Forces Model

**KEYWORDS:** Understand

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14. Rivalry among existing competitors is high when many competitors occupy the same marketplace position.

a. True  
b. False

**ANSWER:** True

**RATIONALE:** Correct

Rivalry among existing competitors is high when many competitors occupy the same marketplace position; it is low when there are few competitors. See 1-6: Using Information Systems and

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Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09

**TIVES:**

**TOPICS:** Five Forces Model

**KEYWORDS:** Understand

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15. In the context of information systems jobs, a database administrator is responsible for developing an entire information system by writing computer programs.

- a. True
- b. False

**ANSWER:** False

**RATIONALE:** Correct

A computer programmer writes computer programs or software segments that allow an information system to perform a specific task. A database administrator is responsible for database design and implementation. See 1-7: The IT Job Market

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Review the IT job market.

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.10

**TIVES:**

**TOPICS:** Information technology careers

**KEYWORDS:** Remember

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### **Multiple Choice**

16. \_\_\_\_\_ help a person connect with friends, family, and colleagues online and meet people with similar interests and hobbies.

- a. Tender portals
- b. Social networking sites
- c. Archives panels
- d. Classified advertisements

**ANSWER:** b

**RATIONALE:** Correct. With social networking sites-such as Facebook, Twitter, Google+, LinkedIn, and Foursquare-you can connect with friends, family, and colleagues online and meet people with similar interests and hobbies. See 1-1: Computers and Information Systems in Daily Life

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**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Discuss common applications of computers and information systems.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01  
**TOPICS:** Computer uses  
Information systems  
**KEYWORDS:** Remember  
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17. \_\_\_\_\_ is a social networking site.

- a. LinkedIn
- b. Yahoo
- c. Bing
- d. Baidu

**ANSWER:** a  
**RATIONALE:** Correct. LinkedIn is a social networking site. Knowledge workers will be able to connect to the rest of the world to share information, knowledge, videos, ideas, and almost anything else that can be digitized. See 1-1: Computers and Information Systems in Daily Life

**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Discuss common applications of computers and information systems.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01  
**TOPICS:** Computer uses  
Information systems  
**KEYWORDS:** Remember  
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18. Which is an example of a social networking site?

- a. Truecaller
- b. Google+
- c. eBay
- d. PayPal

**ANSWER:** b  
**RATIONALE:** Correct. Google+ is an example of a social networking site. Organizations use social networking sites to give customers up-to-date information and how-to support via videos. See 1-1: Computers and Information Systems in Daily Life

**POINTS:** 1



## **Chapter 1 - Information Systems: An Overview**

**DIFFICULTY:** Easy

**REFERENCES:** Discuss common applications of computers and information systems.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01

**TOPICS:** Computer uses  
Information systems

**KEYWORDS:** Remember

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19. 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 Web site and offering many options to customers

**ANSWER:** c

**RATIONALE:** Correct. Social networking sites can reduce organizations' costs by providing an inexpensive medium for targeting a large customer base. Information systems and information technologies are used to help organizations be more competitive and to improve their overall efficiency and effectiveness. See 1-1: Computers and Information Systems in Daily Life

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss common applications of computers and information systems.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01

**TOPICS:** Information systems importance  
Information systems

**KEYWORDS:** Understand

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20. \_\_\_\_\_ is skill in using productivity software, such as word processors, spreadsheets, database management systems, and presentation software.

- a. Network literacy
- b. Business literacy
- c. Information literacy
- d. Computer literacy

**ANSWER:** d

**RATIONALE:** Correct. Computer literacy is skill in using productivity software, such as word processors, spreadsheets, database management systems, and presentation software, as well as having a basic knowledge of hardware and software, the Internet, and collaboration tools and technologies. See 1-2: Computer Literacy and Information Literacy

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**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Explain the differences between computer literacy and information literacy.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.02  
**TOPICS:** Computer literacy  
Information literacy  
**KEYWORDS:** Remember  
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21. Jack knows how to use word processors, spreadsheets, and presentation software. He also has a basic knowledge of hardware, software, and the Internet. Given this information, it can be concluded that Jack has \_\_\_\_\_ literacy.

- a. network
- b. computer
- c. information
- d. business

**ANSWER:** b

**RATIONALE:** Correct. Given this information, it can be concluded that Jack has computer literacy. Computer literacy is skill in using productivity software, such as word processors, spreadsheets, database management systems, and presentation software, as well as having a basic knowledge of hardware and software, the Internet, and collaboration tools and technologies. See 1-2: Computer Literacy and Information Literacy

**POINTS:** 1  
**DIFFICULTY:** Challenging  
**REFERENCES:** Explain the differences between computer literacy and information literacy.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.02  
**TOPICS:** Computer literacy  
Information literacy  
**KEYWORDS:** Apply  
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22. \_\_\_\_\_ is understanding the role of information in generating and using business intelligence.

- a. Information literacy
- b. Business ability
- c. Business mastery
- d. Information retrieval

**ANSWER:** a

**RATIONALE:** Correct. Information literacy is understanding the role of information in generating and using business intelligence. See 1-2: Computer Literacy and Information Literacy

## **Chapter 1 - Information Systems: An Overview**

**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Explain the differences between computer literacy and information literacy.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.02  
**TOPICS:** Information literacy  
Business intelligence  
**KEYWORDS:** Remember  
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23. Business \_\_\_\_\_ provides historical, current, and predictive views of business operations and environments and gives organizations a competitive advantage in the marketplace.

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

**ANSWER:** a

**RATIONALE:** Correct. Business intelligence provides historical, current, and predictive views of business operations and environments and gives organizations a competitive advantage in the marketplace. See 1-2: Computer Literacy and Information Literacy

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**REFERENCES:** Explain the differences between computer literacy and information literacy.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.02  
**TOPICS:** Business intelligence  
Computer literacy  
**KEYWORDS:** Understand  
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24. In the context of computer literacy and information literacy, which statement is true of knowledge workers?

- a. They should know how to increase strategic dissonance.
- b. They should know how data should be indexed and updated.
- c. They should restrict themselves to the use of informal information.
- d. They should avoid collecting data from external sources.

**ANSWER:** b

**RATIONALE:** Correct. Knowledge workers should know how data should be indexed and updated. In the 21st century, knowledge workers need two types of knowledge to be competitive in the workplace: computer literacy and information literacy. See 1-2: Computer Literacy and Information Literacy

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**POINTS:** 1  
**DIFFICULTY:** Moderate  
**REFERENCES:** Explain the differences between computer literacy and information literacy.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.02  
**TOPICS:** Computer literacy  
Information literacy  
**KEYWORDS:** Understand  
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25. Which statement is true of transaction-processing systems?

- a. They focus on data collection and processing.
- b. They focus on integrating hardware and software technologies.
- c. They focus on integrating data, processes, and human elements.
- d. They focus on maximizing human involvement.

**ANSWER:** a  
**RATIONALE:** Correct. Transaction-processing systems focus on data collection and processing, and they provide enormous reduction in costs. Transaction-processing operations are repetitive, such as printing numerous checks, or involve enormous volumes of data, such as inventory control in a multinational textile company. See 1-3: The Beginning: Transaction-Processing Systems

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**REFERENCES:** Define transaction-processing systems.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.03  
**TOPICS:** Transaction processing systems  
**KEYWORDS:** Understand  
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26. Transaction-processing systems \_\_\_\_.

- a. involve low volumes of data
- b. require extensive managerial judgment
- c. involve operations that are repetitive
- d. require maximum human involvement

**ANSWER:** c  
**RATIONALE:** Correct. Transaction-processing operations are repetitive, such as printing numerous checks, or involve enormous volumes of data, such as inventory control in a multinational textile company. When these systems are automated, human involvement is minimal. See 1-3: The Beginning: Transaction-Processing Systems

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**POINTS:** 1  
**DIFFICULTY:** Moderate  
**REFERENCES:** Define transaction-processing systems.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.03  
**TOPICS:** Transaction processing systems  
**KEYWORDS:** Understand  
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27. Which is a software component of a management information system (MIS)?

- a. Commercial programs
- b. Barcode readers
- c. Memory devices
- d. Application servers

**ANSWER:** a  
**RATIONALE:** Correct. The hardware components of an MIS include input, output, and memory devices and vary depending on the application and the organization. MIS software can include commercial programs, software developed in-house, or both. See 1-4: Management Information Systems

**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Define management information systems.  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.04  
**TOPICS:** Management information systems  
**KEYWORDS:** Remember  
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28. In designing a management information system (MIS), the first task is to \_\_\_\_.

- a. clearly define the system's objectives
- b. collect data
- c. analyze data
- d. provided information in a useful format

**ANSWER:** a  
**RATIONALE:** Correct. In designing an MIS, the first task is to clearly define the system's objectives. Second, data must be collected and analyzed. Finally, information must be provided in a useful format for decision-making purposes. See 1-4: Management Information Systems

**POINTS:** 1  
**DIFFICULTY:** Easy  
**REFERENCES:** Define management information systems.

## **Chapter 1 - Information Systems: An Overview**

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.04

**TOPICS:**

Management information systems

**KEYWORDS:** Remember

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29. In designing a management information system (MIS), after defining the system's objectives, the next step is to \_\_\_\_\_.

- a. provide information in a useful format
- b. collect and analyze data
- c. use information for decision making
- d. integrate the hardware and software components

**ANSWER:** b

**RATIONALE:** Correct. In designing an MIS, the first task is to clearly define the system's objectives. Second, data must be collected and analyzed. Finally, information must be provided in a useful format for decision-making purposes. See 1-4: Management Information Systems

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Define management information systems.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.04

**TOPICS:**

Management information systems

**KEYWORDS:** Remember

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30. The final task in designing a management information system (MIS) is \_\_\_\_\_.

- a. collecting and analyzing internal and external data for accuracy and relevancy
- b. providing information in a useful format for decision-making purposes
- c. clearly defining the system's objectives
- d. integrating hardware and software components

**ANSWER:** b

**RATIONALE:** Correct. In designing an MIS, the first task is to clearly define the system's objectives. Second, data must be collected and analyzed. Finally, information must be provided in a useful format for decision-making purposes. See 1-4: Management Information Systems

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Define management information systems.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

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LEARNING OBJECTIVES: MIS9.BIDG.19.01.04

TIVES:

TOPICS: Management information systems

KEYWORDS: Remember

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31. The data component of an information system is:

- a. the input to the information system.
- b. a series of integrated files containing relevant facts.
- c. a set of facts that have been analyzed by the process component.
- d. the output of the information system.

ANSWER: a

RATIONALE: Correct. The data component of an information system is considered the input to the system. See 1-5: Major Components of an Information System

POINTS: 1

DIFFICULTY: Moderate

REFERENCES: Describe the four major components of an information system.

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MIS9.BIDG.19.01.05

TIVES:

TOPICS: Information system components

KEYWORDS: Understand

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32. In the context of the data component of an information system, internal data sources include \_\_\_\_\_.

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

ANSWER: a

RATIONALE: Correct. Internal data sources include sales records, personnel records, and so forth. The data component of an information system is considered the input to the system. See 1-5: Major Components of an Information System

POINTS: 1

DIFFICULTY: Easy

REFERENCES: Describe the four major components of an information system.

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MIS9.BIDG.19.01.05

TIVES:

TOPICS: Information system components

KEYWORDS: Remember

## **Chapter 1 - Information Systems: An Overview**

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33. 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

**RATIONALE:** Correct. Labor statistics is an external data source of an information system. The data component of an information system is considered the input to the system. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:**

Information system components

**KEYWORDS:** Remember

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

- a. Current data is collected for performance reports.
- 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

**RATIONALE:** Correct. Past data is collected for performance reports, and current data is collected for operational reports. In addition, future data is predicted for budgets or cash flow reports. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:**

Information system components

**KEYWORDS:** Understand

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35. In a management information system, structuring the data component to define what type of data is collected and in what form is usually easy if an organization has \_\_\_\_\_.

- a. defined its strategic goals, objectives, and critical factors
- b. laid out the cause of any past failure due to conflicting objectives and indefinite targets
- c. focused on its competitors in the market rather than on the critical success factors
- d. employees who are aware of the current marketing strategies

**ANSWER:** a

**RATIONALE:** Correct. If an organization has defined its strategic goals, objectives, and critical success factors, then structuring the data component to define what type of data is collected and in what form is usually easy. On the other hand, if there are conflicting goals and objectives or the company is not aware of critical success factors, many problems in data collection can occur, which affects an information system's reliability and effectiveness. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TIVES:**

**TOPICS:** Information system components

**KEYWORDS:** Understand

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36. Database management systems \_\_\_\_\_.

- a. are used to create, organize, and manage databases
- b. improve routing and delivery schedules of databases
- c. are written for specific database applications
- d. include transaction-processing reports for database analysis

**ANSWER:** a

**RATIONALE:** Correct. To create, organize, and manage databases, a database management system (DBMS) is used, such as Microsoft Access or FileMaker Pro for home or small-office use. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TIVES:**

**TOPICS:** Information system components  
Computer literacy

**KEYWORDS:** Remember

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37. Microsoft Access is an example of a(n) \_\_\_\_\_.

- a. operational resource toolkit system
- b. enterprise resource planning system
- c. database management system
- d. knowledge management system

**ANSWER:** c

**RATIONALE:** Correct. To create, organize, and manage databases, a database management system is used, such as Microsoft Access or FileMaker Pro for home or small-office use. A database, the heart of an information system, is a collection of all relevant data organized in a series of integrated files. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.05

**TIVES:**

**TOPICS:** Information system components

**KEYWORDS:** Understand

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38. \_\_\_\_\_ is a database management system (DBMS) that is suitable for a large organization.

- a. Microsoft Access
- b. FileMaker Pro
- c. Oracle
- d. Java

**ANSWER:** c

**RATIONALE:** Correct. Microsoft Access and FileMaker Pro are examples of DBMSs that are suitable for home or small-office use. In a large organization, a DBMS such as Oracle or IBM DB2 might be used. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.05

**TIVES:**

**TOPICS:** Information system components

**KEYWORDS:** Remember

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39. The purpose of an information system's \_\_\_\_\_ component is generating the most useful type of information for making decisions.

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- a. process
- b. internal data
- c. external data
- d. database

**ANSWER:**

a

**RATIONALE:**

Correct. The purpose of an information system's process component is generating the most useful type of information for making decisions. See 1-5: Major Components of an Information System

**POINTS:**

1

**DIFFICULTY:**

Easy

**REFERENCES:**

Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:**

Information system components

**KEYWORDS:**

Remember

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40. The \_\_\_\_\_ component of an information system consists of raw facts and by itself is difficult to use for making decisions.

- a. cache
- b. kernel
- c. data
- d. process

**ANSWER:**

c

**RATIONALE:**

Correct. Data consists of raw facts and by itself is difficult to use for making decisions. Information-the output of an information system-consists of facts that have been analyzed by the process component and are therefore more useful to the management information system user. See 1-5: Major Components of an Information System

**POINTS:**

1

**DIFFICULTY:**

Moderate

**REFERENCES:**

Discuss the differences between data and information.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.06

**TOPICS:**

Information system components

**KEYWORDS:**

Understand

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41. In the context of the major components of an information system, which is a difference between information and data?

- a. Unlike data, information is considered the input to an information system.
- b. Unlike data, information can be collected in aggregated and disaggregated forms.

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- c. Unlike data, information by itself is difficult to use for making decisions.
- d. Unlike data, information consists of facts that have been analyzed by the process component.

**ANSWER:** d

**RATIONALE:** Correct. Unlike data, information-the output of an information system-consists of facts that have been analyzed by the process component and are therefore more useful to the management information system user. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Challenging

**REFERENCES:** Discuss the differences between data and information.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.06

**TIVES:**

**TOPICS:** Information system components

**KEYWORDS:** Analyze

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42. Which is essential for information to be useful?

- a. Relevance
- b. Summarization
- c. Language independence
- d. Data variability

**ANSWER:** a

**RATIONALE:** Correct. To be useful, information must have the following qualities: timeliness, integration with other data and information, consistency and accuracy, and relevance. If information lacks any of these qualities, the results are incorrect decisions, misallocation of resources, and overlooked windows of opportunity. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss the differences between data and information.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.06

**TIVES:**

**TOPICS:** Information system components

**KEYWORDS:** Understand

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43. To be useful, information systems should \_\_\_\_.

- a. use command line user interfaces
- b. generate raw data, which can be used for decision making
- c. produce information in different formats
- d. not use rumors, unconfirmed reports, and stories

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**ANSWER:** c

**RATIONALE:** Correct. To be useful, information systems should produce information in different formats, including graphics (e.g., pie charts and bar graphs), tables, and exception reports, which highlight information that is outside a specified range. Supplying information in a variety of formats increases the likelihood of users understanding and being able to use the information. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:** Information system components

**KEYWORDS:** Understand

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44. Truzan Creations, one of the leading names in the handicraft industry, recently launched a new artifact in the market. The company uses a database to store information on the number of products manufactured, the weekly sales, the list of suppliers, and the profits achieved. The process component of the information system is used to conduct analysis on the data to generate information about sales. Which can be used by Truzan Creations to generate predictions for its next sales period?

- a. Forecasting models
- b. Estimation graphs
- c. Modeling charts
- d. Theoretical hypotheses

**ANSWER:** a

**RATIONALE:** Correct. Truzan Creations can use forecasting models to generate predictions for the next sales period. An information system can include a wide range of models to support all levels of decision making. Users should be able to query an information system and generate a variety of reports. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Challenging

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:** Information system components

**KEYWORDS:** Apply

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45. The four Ms of resources in information systems are \_\_\_\_\_.  
a. management, motivation, manpower, and monitoring

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- b. materials, money, modeling, and monitoring
- c. manpower, machinery, materials, and money
- d. manpower, monitoring, movement, and modeling

**ANSWER:** c

**RATIONALE:** Correct. Timely, relevant, and accurate information is a critical tool for enhancing a company's competitive position in the marketplace and managing the four Ms of resources: manpower, machinery, materials, and money. To manage these resources, different types of information systems have been developed. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Remember

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46. Which statement is true of an intranet?

- a. It is a network within an organization that uses Internet protocols and technologies.
- b. It is a network that covers a wide area with the help of rented telecommunication lines.
- c. It is a network where a computer is connected to the Internet and acts as a gateway for other devices.
- d. It is a widely available public network of interconnected computer networks.

**ANSWER:** a

**RATIONALE:** Correct. An intranet is a network within an organization that uses Internet protocols and technologies for collecting, storing, and disseminating useful information that supports business activities such as sales, customer service, human resources, and marketing. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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## **Chapter 1 - Information Systems: An Overview**

47. A personnel information system (PIS) helps in \_\_\_\_\_.

- a. choosing the best job candidate
- b. improving transportation budgeting
- c. calculating product costs
- d. determining portfolio structures

**ANSWER:** a

**RATIONALE:** Correct. A PIS helps in choosing the best job candidate. Web technologies have played a major role in improving the efficiency and effectiveness of human resource departments. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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48. Decisions related to scheduling and assigning employees can be supported by a \_\_\_\_\_.

- a. manufacturing information system
- b. personnel information system
- c. financial information system
- d. logistics information system

**ANSWER:** b

**RATIONALE:** Correct. Decisions related to scheduling and assigning employees can be supported by a personnel information system (PIS). A PIS is designed to provide information that helps decision makers in personnel carry out their tasks more effectively. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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## **Chapter 1 - Information Systems: An Overview**

49. A \_\_\_\_\_ provides reports and statistics on employee demographics.

- a. manufacturing information system
- b. marketing information system
- c. logistics information system
- d. personnel information system

**ANSWER:** d

**RATIONALE:** Correct. A personnel information system (PIS) provides reports and statistics on employee demographics. A PIS is designed to provide information that helps decision makers in personnel carry out their tasks more effectively. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Remember

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50. Which statement is true of a personnel information system (PIS) in an organization?

- a. It helps make decisions related to allocating human and financial resources.
- b. It helps make decisions related to reducing the cost of transporting materials.
- c. It helps make decisions related to increasing product quality.
- d. It helps make decisions related to minimizing capital investment risks.

**ANSWER:** a

**RATIONALE:** Correct. A PIS helps make decisions related to allocating human and financial resources. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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51. Which decision is supported by a logistics information system (LIS)?

- a. Predicting an organization's future personnel needs
- b. Minimizing capital investment risks
- c. Determining portfolio structures
- d. Selecting the best modes of transportation

**ANSWER:** d

**RATIONALE:** Correct. Decisions related to selecting the best modes of transportation is supported by an LIS. It also supports decisions related to improving routing and delivery schedules, improving transportation budgeting, and improving shipment planning. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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52. Which is a difference between a logistics information system (LIS) and a financial information system (FIS)?

- a. An LIS supports decisions related to space utilization, whereas an FIS supports decisions related to scheduling and assigning employees.
- b. An LIS supports decisions related to monitoring cost trends, whereas an FIS supports decisions related to product cost calculations.
- c. An LIS supports decisions related to improving budget allocation, whereas an FIS supports decisions related to allocating human and financial resources.
- d. An LIS supports decisions related to improving shipment planning, whereas an FIS supports decisions related to determining portfolio structures.

**ANSWER:** d

**RATIONALE:** Correct. An LIS supports decisions related to improving shipment planning, whereas an FIS supports decisions related to determining portfolio structures. Timely, relevant, and accurate information is a critical tool for enhancing a company's competitive position in the marketplace and managing the four Ms of resources: manpower, machinery, materials, and money. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Challenging

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.07

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**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Analyze

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53. Which decision is supported by a manufacturing information system (MFIS)?

- a. Determination of portfolio structures
- b. Analysis of price changes and discounts
- c. Improvement of routing and delivery schedules
- d. Monitoring of cost trends

**ANSWER:** b

**RATIONALE:** Correct. Analysis of price changes and discounts is carried out by an MFIS. MFISs can perform many types of analysis with a high degree of timeliness and accuracy. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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54. Which decision is supported by a financial information system (FIS)?

- a. Determining portfolio structures
- b. Choosing the best job candidate
- c. Improving routing and delivery schedules
- d. Analyzing sales personnel

**ANSWER:** a

**RATIONALE:** Correct. FISs support decision making related to determining portfolio structures. Other decisions supported by an FIS are improving budget allocation, minimizing capital investment risks, monitoring cost trends, and managing cash flows. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

## **Chapter 1 - Information Systems: An Overview**

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TOPICS:**

Information systems  
Information technologies

**KEYWORDS:** Understand

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55. Which system supports sales forecasting?

- a. Logistics information systems
- b. Personnel information systems
- c. Marketing information systems
- d. Financial information systems

**ANSWER:** c

**RATIONALE:** Correct. A marketing information system (MKIS) supports sales forecasting. MKISs are used to improve marketing decisions. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TOPICS:**

Information systems  
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**KEYWORDS:** Understand

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56. According to Michael Porter, which strategy can be followed by an organization to successfully compete in the marketplace?

- a. Groupthink
- b. Brainstorming
- c. Simulation
- d. Focus

**ANSWER:** d

**RATIONALE:** Correct. Michael Porter, a professor at Harvard Business School, identified three strategies for successfully competing in the marketplace: overall cost leadership, differentiation, and focus. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Discuss how information technologies are used to gain a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

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LEARNING OBJECTIVES: MIS9.BIDG.19.01.08

TIVES:

TOPICS: Information systems and competitive advantage

KEYWORDS: Remember

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57. \_\_\_\_\_ strategy was identified by Michael Porter, a professor at Harvard Business School, for successfully competing in the marketplace.

- a. Transformational leadership
- b. Differentiation
- c. Groupthink collaboration
- d. Simulation

ANSWER: b

RATIONALE: Correct. Michael Porter, a professor at Harvard Business School, identified three strategies for successfully competing in the marketplace: overall cost leadership, differentiation, and focus. See 1-6: Using Information Systems and Information Technologies

POINTS: 1

DIFFICULTY: Easy

REFERENCES: Discuss how information technologies are used to gain a competitive advantage.

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MIS9.BIDG.19.01.08

TIVES:

TOPICS: Information systems and competitive advantage

KEYWORDS: Remember

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58. In the context of using information technologies for a competitive advantage, which statement is true of a bottom-line strategy?

- a. It focuses on improving efficiency by reducing overall costs.
- b. It focuses on generating new revenue by offering new products and services.
- c. It focuses on enhancing rivalry among existing competitors.
- d. It focuses on helping different market segments achieve a cost advantage.

ANSWER: a

RATIONALE: Correct. Information technologies can help bottom-line and top-line strategies. The focus of a bottom-line strategy is to improve efficiency by reducing overall costs. See 1-6: Using Information Systems and Information Technologies

POINTS: 1

DIFFICULTY: Moderate

REFERENCES: Discuss how information technologies are used to gain a competitive advantage.

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MIS9.BIDG.19.01.08

## **Chapter 1 - Information Systems: An Overview**

**TIVES:**

**TOPICS:** Information systems and competitive advantage

**KEYWORDS:** Understand

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59. In the context of using information technologies for a competitive advantage, which statement is true of a top-line strategy?

- a. It focuses on generating new revenue by offering new products and services.
- b. It focuses on improving efficiency by reducing overall costs.
- c. It focuses on refining operations by using latest technologies.
- d. It focuses on helping different market segments achieve technological advancement.

**ANSWER:** a

**RATIONALE:** Correct. A top-line strategy focuses on generating new revenue by offering new products and services to customers or increasing revenue by selling existing products and services to new customers. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss how information technologies are used to gain a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.08

**TIVES:**

**TOPICS:** Information systems and competitive advantage

**KEYWORDS:** Understand

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60. In the context of using information technologies for a competitive advantage, a top-line strategy focuses on:

- a. helping different market segments achieve technological advancement.
- b. improving efficiency by reducing overall costs.
- c. refining operations by using latest technologies.
- d. increasing revenue by selling existing products to new customers.

**ANSWER:** d

**RATIONALE:** Correct. A top-line strategy focuses on generating new revenue by offering new products and services to customers or increasing revenue by selling existing products and services to new customers. For example, e-commerce businesses are adapting business models to reduce distribution costs dramatically. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss how information technologies are used to gain a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.08

**TIVES:**

## **Chapter 1 - Information Systems: An Overview**

**TOPICS:** Information systems and competitive advantage

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61. A \_\_\_\_\_, identified by Michael Porter, helps organizations make their products and services distinct from their competitors.

- a. simulation strategy
- b. leadership strategy
- c. focus strategy
- d. differentiation strategy

**ANSWER:** d

**RATIONALE:** Correct. For differentiation strategies, organizations try to make their products and services different from their competitors. Apple has been successful with this strategy by designing its computers to look very different than PCs and focusing on its computers' ease of use. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Discuss how information technologies are used to gain a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.08

**TIVES:**

**TOPICS:** Information systems and competitive advantage

**KEYWORDS:** Remember

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62. \_\_\_\_\_ is high when customers have many choices and low when they have few choices.

- a. Buyer power
- b. Threat of new services
- c. Rivalry among existing customers
- d. Risk of substitute products

**ANSWER:** a

**RATIONALE:** Correct. Buyer power is high when customers have many choices and low when they have few choices. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09

**TIVES:**

**TOPICS:** Five Forces Model

**KEYWORDS:** Remember

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63. In the context of Porter's Five Forces Model, an organization limits buyers' choices by:

- a. encouraging the use of the Internet to gather information about products.
- b. launching duplicate products or services in the marketplace.
- c. offering services that make it difficult for customers to switch.
- d. charging market competitive rates for its products or services.

**ANSWER:** c

**RATIONALE:** Correct. Typically, organizations try to limit buyers' choices by offering services that make it difficult for customers to switch, which is essentially using a differentiation strategy. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09

**TIVES:**

**TOPICS:** Five Forces Model

**KEYWORDS:** Understand

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64. In the context of Porter's Five Forces Model, which is a difference between buyer power 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

**RATIONALE:** Correct. Buyer power is high when customers have many choices and low when they have few choices. Supplier power is high when customers have fewer options and low when customers have more options. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Challenging

**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09

**TIVES:**

**TOPICS:** Five Forces Model

**KEYWORDS:** Analyze

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65. In the context of IT jobs, a \_\_\_\_\_ must have knowledge and understanding of data warehouse and data-mining tools.

- a. systems mining analyst
- b. data design officer
- c. web strategist
- d. database administrator

**ANSWER:** d

**RATIONALE:** Correct. A database administrator (DBA) is responsible for database design and implementation. Additionally, a DBA should have knowledge and understanding of data warehouses and data-mining tools. See 1-7: The IT Job Market

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Review the IT job market.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.10

**TIVES:**

**TOPICS:** Information technology careers

**KEYWORDS:** Remember

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66. \_\_\_\_\_ refers to computing devices everywhere with different sizes and power and accessed through multiple formats such as voice, touch, and gesture.

- a. Ubiquitous computing
- b. Cloud computing
- c. Context aware computing
- d. Pervasive computing

**ANSWER:** a

**RATIONALE:** Correct. Ubiquitous computing refers to computing devices everywhere with different sizes and power and accessed through multiple formats such as voice, touch, and gesture. See 1-8: Outlook for the Future

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Summarize the future outlook of information systems.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.11

**TIVES:**

**TOPICS:** Information technology industry  
Computing trends

**KEYWORDS:** Remember

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67. \_\_\_\_\_ refers to building and integrating analytics capabilities into all everyday business activities.

- a. Pervasive analytics
- b. Artificial intelligence
- c. Business analytics
- d. Business intelligence

**ANSWER:** a

**RATIONALE:** Correct. Pervasive analytics is building and integrating analytics capabilities into all everyday business activities. See 1-8: Outlook for the Future

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Summarize the future outlook of information systems.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.11

**TIVES:**

**TOPICS:** Information technology industry  
Computing trends

**KEYWORDS:** Remember

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68. \_\_\_\_\_ computing 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. Context aware
- b. Cloud
- c. Ubiquitous
- d. Pervasive

**ANSWER:** a

**RATIONALE:** Correct. Context aware computing 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. See 1-8: Outlook for the Future

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Summarize the future outlook of information systems.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.11

**TIVES:**

**TOPICS:** Information technology industry  
Computing trends

**KEYWORDS:** Remember

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69. For the past 60 years, \_\_\_\_\_ have been applied to structured tasks such as record keeping, simple clerical operations, and inventory control.

- a. object-oriented-modelling systems
- b. procedural-programming systems
- c. business-analysis systems
- d. transaction-processing systems

**ANSWER:** d

**RATIONALE:** For the past 60 years, transaction-processing systems have been applied to structured tasks such as record keeping, simple clerical operations, and inventory control. Payroll, for example, was one of the first applications to be automated. See 1-3: The Beginning: Transaction-Processing Systems

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Define transaction-processing systems.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.03

**TIVES:**

**TOPICS:** Transaction processing systems

**KEYWORDS:** Remember

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70. A \_\_\_\_\_ is an organized integration of hardware and software technologies, data, processes, and human elements designed to produce timely, integrated, relevant, accurate, and useful information for decision-making purposes.

- a. management information system
- b. transaction-processing system
- c. sequential processing system
- d. data warehousing system

**ANSWER:** a

**RATIONALE:** A management information system (MIS) is an organized integration of hardware and software technologies, data, processes, and human elements designed to produce timely, integrated, relevant, accurate, and useful information for decision-making purposes. Many MIS applications are used in both the private and public sectors. See 1-4: Management Information Systems

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Define management information systems.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.04

**TIVES:**

**TOPICS:** Management information systems

**KEYWORDS:** Remember

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71. An information system collects past data for performance reports and current data for operational reports. This shows

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that the data component of the information system has a(n) \_\_\_\_\_.

- a. time orientation
- b. phase orientation
- c. log orientation
- d. active orientation

**ANSWER:** a

**RATIONALE:** In this case, the data component of the information system has a time orientation. For example, past data is collected for performance reports, and current data is collected for operational reports. In addition, future data is predicted for budgets or cash flow reports. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:**

Information system components

**KEYWORDS:** Understand

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72. A(n) \_\_\_\_\_, the heart of an information system, is a collection of all relevant facts organized in a series of integrated files.

- a. procedure
- b. database
- c. process
- d. object

**ANSWER:** b

**RATIONALE:** A database, the heart of an information system, is a collection of all relevant data organized in a series of integrated files. A comprehensive database is essential for the success of any information system. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:**

Information system components

**KEYWORDS:** Remember

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73. Users need to be able to make use of \_\_\_\_\_, such as rumors, unconfirmed reports, and stories, when solving problems.

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- a. informal information
- b. interfacing data
- c. prescribed information
- d. formal data

**ANSWER:** a

**RATIONALE:** In addition to the formal information that an information system generates, users need to be able to make use of informal information-such as rumors, unconfirmed reports, and stories-when solving problems. Supplying information in a variety of formats increases the likelihood of users understanding and being able to use the information. See 1-5: Major Components of an Information System

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Discuss the differences between data and information.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.06

**TIVES:**

**TOPICS:** Information system components  
Business intelligence

**KEYWORDS:** Remember

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74. Computer networks, database systems, point-of-sale (POS) systems, etc., are few examples of information technologies that support information systems in \_\_\_\_.

- a. orientation focusing
- b. strategic planning
- c. decision making
- d. consumer building

**ANSWER:** c

**RATIONALE:** Computer networks, database systems, POS systems, etc., are few examples of information technologies that support information systems in decision making. Information systems are designed to collect data, process the collected data, and deliver timely, relevant, and useful information that can be used for making decisions. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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75. A \_\_\_\_\_ is designed to reduce the cost of transporting materials while maintaining safe and reliable delivery.

- a. logistics information system
- b. personnel information system
- c. manufacturing information system
- d. marketing information system

**ANSWER:** a

**RATIONALE:** A logistics information system (LIS) is designed to reduce the cost of transporting materials while maintaining safe and reliable delivery. An LIS supports decisions related to improvement of routing and delivery schedules, selection of the best modes of transportation, improvement in transportation budgeting, and improvement of shipment planning. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TOPICS:**

Information systems  
Information technologies

**KEYWORDS:** Remember

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76. A \_\_\_\_\_ is typically used to support decisions related to managing an organization's cash flows.

- a. marketing information system
- b. logistics information system
- c. manufacturing information system
- d. financial information system

**ANSWER:** d

**RATIONALE:** A financial information system (FIS) is typically used to support decisions related to managing an organization's cash flows. The goal of an FIS is to provide information to financial executives in a timely manner. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TOPICS:**

Information systems

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Information technologies

**KEYWORDS:** Remember

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77. A comprehensive framework called the \_\_\_\_\_ was created by Harvard Business School's Michael Porter for analyzing an organization, its position in the marketplace, and how information systems could be used to make the organization more competitive.

- a. Five Forces Model
- b. Six Sigma Model
- c. Three Pyramid Model
- d. Four Resources Model

**ANSWER:** a

**RATIONALE:** Harvard Business School's Michael Porter created a comprehensive framework called the Five Forces Model for analyzing an organization, its position in the marketplace, and how information systems could be used to make the organization more competitive. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09

**TIVES:**

**TOPICS:** Five Forces Model

**KEYWORDS:** Remember

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78. \_\_\_\_\_ is one of the forces of the Five Forces Model created by Michael Porter.

- a. Rivalry among customers
- b. Government regulations
- c. Threat of new entrants
- d. Taxable services

**ANSWER:** c

**RATIONALE:** The five forces in the Five Forces Model created by Michael Porter are buyer power, supplier power, threat of substitute products or services, threat of new entrants, and rivalry among existing competitors. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09

**TIVES:**

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**TOPICS:** Five Forces Model  
**KEYWORDS:** Remember  
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79. According to Porter's Five Forces Model, \_\_\_\_\_ is low when customers have more options.

- a. supplier power
- b. buyer power
- c. new entrant power
- d. competitor power

**ANSWER:** a

**RATIONALE:** According to Porter's Five Forces Model, supplier power is high when customers have fewer options and low when customers have more options. Organizations might use information systems to make their products and services cheaper or to offer more services in order to distinguish themselves from competitors. See 1-6: Using Information Systems and Information Technologies

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09

**TIVES:**

**TOPICS:** Five Forces Model  
**KEYWORDS:** Remember  
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80. In the context of the IT job market, the top information systems job belongs to the \_\_\_\_\_.

- a. computer programmer
- b. systems analyst
- c. webmaster
- d. chief technology officer

**ANSWER:** d

**RATIONALE:** The top information systems job belongs to either the chief technology officer or the chief information officer. This person oversees long-range planning and keeps an eye on new developments in the field that can affect a company's success. See 1-7: The IT Job Market

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Review the IT job market.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.10

**TIVES:**

**TOPICS:** Information technology careers  
**KEYWORDS:** Remember

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81. In the context of IT jobs in the information systems field, a \_\_\_\_ is typically responsible for providing network and cybersecurity.

- a. network administrator
- b. cyber police
- c. network programmer
- d. cyber activist

**ANSWER:** a

**RATIONALE:** In the context of IT jobs in the information systems field, a network administrator is typically responsible for providing network and cybersecurity. This person oversees a company's internal and external network systems, designing and implementing network systems that deliver correct information to the right decision maker in a timely manner. See 1-7: The IT Job Market

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Review the IT job market.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.10

**TOPICS:** Information technology careers

**KEYWORDS:** Remember

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82. In the context of IT jobs in the information systems field, a \_\_\_\_ is responsible for database design and implementation.

- a. database administrator
- b. database programmer
- c. database strategist
- d. database developer

**ANSWER:** a

**RATIONALE:** In the context of IT jobs in the information systems field, a database administrator (DBA) is responsible for database design and implementation. Additionally, a DBA should have knowledge and understanding of data warehouses and data-mining tools. See 1-7: The IT Job Market

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Review the IT job market.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.10

**TOPICS:** Information technology careers

**KEYWORDS:** Remember



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83. In the context of IT jobs in the information systems field, a \_\_\_\_ designs and maintains an organization's Web site.

- a. web designer
- b. webmaster
- c. web developer
- d. web host provider

**ANSWER:** b

**RATIONALE:** In the context of IT jobs in the information systems field, a webmaster designs and maintains an organization's Web site. Because of the popularity of e-commerce applications, webmasters have been in high demand. See 1-7: The IT Job Market

**POINTS:** 1

**DIFFICULTY:** Easy

**REFERENCES:** Review the IT job market.

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.10

**TIVES:**

**TOPICS:** Information technology careers

**KEYWORDS:** Remember

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### **Essay**

84. Discuss how information systems are useful for students.

**ANSWER:** Answers will vary. Students use computers and office suite software and might take online classes. Computers are often used to grade exam answers and generate detailed reports comparing the performance of each student in a class. Computers and information systems also calculate grades and GPAs and can deliver this information to the students.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss common applications of computers and information systems.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01

**TIVES:**

**TOPICS:** Computer uses  
Information systems importance

**KEYWORDS:** Understand

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85. Explain how banks use computers and information systems.

**ANSWER:** Answers will vary. Banks use computers and information systems for generating customers'

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monthly statements, running ATM machines, and for many other banking activities.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss common applications of computers and information systems.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01

**TIVES:**

**TOPICS:** Computer uses  
Information systems importance

**KEYWORDS:** Understand

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86. Explain personal digital assistants (PDAs).

**ANSWER:** Answers will vary. Many workers are now telecommuters who perform their jobs at home, and others often use their PDAs to conduct business while on the go. The most common PDA is a smartphone (such as an iPhone, Droid, or a Blackberry). A typical PDA includes a calendar, address book, and task-listing programs; more advanced PDAs often allow for wireless connection to the Internet and have built-in MP3 players.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss common applications of computers and information systems.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01

**TIVES:**

**TOPICS:** Information systems

**KEYWORDS:** Understand

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87. Explain how organizations use social networking sites.

**ANSWER:** Answers will vary. Organizations use social networking sites to give customers up-to-date information and how-to support via videos. These sites can reduce organizations' costs by providing an inexpensive medium for targeting a large customer base.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss common applications of computers and information systems.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.01

**TIVES:**

**TOPICS:** Computer uses  
Information systems importance

**KEYWORDS:** Understand

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88. Describe how information systems differ from information technologies.

**ANSWER:** Answers will vary. Information systems are broader in scope than information technologies, but the two overlap in many areas. Both are used to help organizations be more competitive and to improve their overall efficiency and effectiveness. Information technologies offer many advantages for improving decision making but involve some challenges, too, such as security and privacy issues.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss common applications of computers and information systems.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.01

**TIVES:**

**TOPICS:** Information systems  
Information systems importance

**KEYWORDS:** Understand

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89. Explain what a knowledge worker should know to understand the role of information in generating and using business intelligence.

**ANSWER:** Answers will vary. Knowledge workers need two types of knowledge to be competitive in the workplace: computer literacy and information literacy. Knowledge workers should know the following:

- a. Internal and external sources of data
- b. How data is collected
- c. Why data is collected
- d. What type of data should be collected
- e. How data is converted to information and eventually to business intelligence
- f. How data should be indexed and updated
- g. How data and information should be used to gain a competitive advantage

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the differences between computer literacy and information literacy.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJEC** MIS9.BIDG.19.01.02

**TIVES:**

**TOPICS:** Information literacy  
Business intelligence

**KEYWORDS:** Understand

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90. Give an example of how a management information system (MIS) can be used in the public sector.

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**ANSWER:** Answers will vary. In the public sector, an MIS for a police department, for example, could provide information such as crime statistics, crime forecasts, and allocation of police units. Management can examine these statistics to spot increases and decreases in crime rates or types of crimes and analyze this data to determine future deployment of law enforcement personnel.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Define management information systems.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.04

**TIVES:**

**TOPICS:** Management information systems

**KEYWORDS:** Understand

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91. Describe a database, and explain its role in an information system.

**ANSWER:** Answers will vary. A database, the heart of an information system, is a collection of all relevant data organized in a series of integrated files. A comprehensive database is essential for the success of any information system. To create, organize, and manage databases, a database management system (DBMS) is used, such as Microsoft Access or FileMaker Pro for home or small-office use. In a large organization, a DBMS such as Oracle or IBM DB2 might be used. Databases are also important for reducing personnel time needed to gather, process, and interpret data manually. With a computerized database and a DBMS, data can be treated as a common resource that is easy to access and use.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TIVES:**

**TOPICS:** Information system components

**KEYWORDS:** Understand

**DATE CREATED:** 6/6/2018 3:56 PM

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92. Briefly explain the purpose of an information system's process component.

**ANSWER:** Answers will vary. The purpose of an information system's process component is generating the most useful type of information for making decisions. This component generally includes transaction-processing reports and models for decision analysis that can be built into the system or accessed from external sources. An information system can include a wide range of models to support all levels of decision making. Users should be able to query an information system and generate a variety of reports. In addition, an information system should be able to grow with the organization so users can redefine and restructure models and incorporate new information into their analyses.

**POINTS:** 1

## **Chapter 1 - Information Systems: An Overview**

**DIFFICULTY:** Moderate

**REFERENCES:** Describe the four major components of an information system.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.05

**TOPICS:** Information system components

**KEYWORDS:** Understand

**DATE CREATED:** 6/6/2018 3:56 PM

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93. In the context of the major components of an information system, describe the factors affecting the usefulness of information.

**ANSWER:** Answers will vary. The quality of information is determined by its usefulness to users, and its usefulness determines the success of an information system. To be useful, information must have the following qualities:

- a. Timeliness
- b. Integration with other data and information
- c. Consistency and accuracy
- d. Relevance

If information lacks any of these qualities, the results are incorrect decisions, misallocation of resources, and overlooked windows of opportunity. If the system cannot give users a minimum level of confidence in its reliability, it will not be used or users might dismiss the reports it generates. Information must provide either a base for users to explore different options or insight into tasks.

Another factor affecting the usefulness of information is the information system's user interface. Because this interface must be flexible and easy to use, most information systems make use of graphical user interfaces, with features such as menus and buttons. To be useful, information systems should also produce information in different formats, including graphics (e.g., pie charts and bar graphs), tables, and exception reports, which highlight information that is outside a specified range. Supplying information in a variety of formats increases the likelihood of users understanding and being able to use the information.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Discuss the differences between data and information.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.06

**TOPICS:** Information system components

**KEYWORDS:** Understand

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94. Describe how a personnel information system (PIS) helps decision makers.

**ANSWER:** Answers will vary. A personnel information system (PIS) or human resource information system (HRIS) is designed to provide information that helps decision makers in personnel carry out their tasks more effectively. A PIS/HRIS supports the following decisions, among others:

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- a. Choosing the best job candidate
- b. Scheduling and assigning employees
- c. Predicting the organization's future personnel needs
- d. Providing reports and statistics on employee demographics
- e. Allocating human and financial resources

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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95. Explain the main difference between an intranet and the Internet.

**ANSWER:** Answers will vary. The main difference between an intranet and the Internet is that an intranet is private and the Internet is public. An intranet is a network within an organization that uses Internet protocols and technologies for collecting, storing, and disseminating useful information that supports business activities such as sales, customer service, human resources, and marketing.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information systems  
Information technologies

**KEYWORDS:** Understand

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96. Describe a manufacturing information system (MFIS).

**ANSWER:** Answers will vary. An MFIS is used to manage manufacturing resources so that companies can reduce manufacturing costs, increase product quality, and make better inventory decisions. MFISs can perform many types of analysis with a high degree of timeliness and accuracy. An MFIS supports the following decisions, among others:

- a. Ordering decisions
- b. Product cost calculations
- c. Space utilization
- d. The bid evaluation process used with vendors and suppliers
- e. Analysis of price changes and discounts

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**POINTS:** 1  
**DIFFICULTY:** Moderate  
**REFERENCES:** Explain the importance and applications of information systems in functional areas of a business.  
**QUESTION TYPE:** Essay  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07  
**TOPICS:** Information systems  
Information technologies  
**KEYWORDS:** Understand  
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97. In the context of using information technologies for a competitive advantage, explain the difference in focus for a bottom-line strategy and a top-line strategy.

**ANSWER:** Answers will vary. The focus of a bottom-line strategy is improving efficiency by reducing overall costs. A top-line strategy focuses on generating new revenue by offering new products and services to customers or increasing revenue by selling existing products and services to new customers.

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**REFERENCES:** Discuss how information technologies are used to gain a competitive advantage.  
**QUESTION TYPE:** Essay  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.08  
**TOPICS:** Information systems and competitive advantage  
**KEYWORDS:** Understand  
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98. Describe the threat of substitute products or services. Explain how organizations fight this threat.

**ANSWER:** Answers will vary. The threat of customers choosing substitute products or services is high when many alternatives to an organization's products or services are available. Some organizations add services-such as Amazon's personalized recommendations-to make their positions in the marketplace more distinctive. Other organizations use fees to discourage customers from switching to a competitor, such as cell phone companies adding charges for switching to another provider before the customer contract is up.

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.  
**QUESTION TYPE:** Essay  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09  
**TOPICS:** Five Forces Model

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**KEYWORDS:** Understand

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99. Explain how an organization can combat the threat of new entrants.

**ANSWER:** Answers will vary. The threat of new entrants into the marketplace is low when duplicating a company's product or service is difficult. Organizations often use focus strategies to ensure that the threat of new entrants remains low. In addition, organizations use information technologies to increase customer loyalty, which reduces the threat of new entrants.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Explain the Five Forces Model and strategies for gaining a competitive advantage.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.09

**TIVES:**

**TOPICS:** Five Forces Model

**KEYWORDS:** Understand

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100. In the context of the top information systems job, describe the roles of a chief technology officer (CTO) or a chief information officer (CIO) and a chief privacy officer (CPO).

**ANSWER:** Answers will vary. The top information systems job belongs to either the CTO or the CIO. This person oversees long-range planning and keeps an eye on new developments in the field that can affect a company's success. Some organizations also have a CPO. This executive position includes responsibility for managing the risks and business impacts of privacy laws and policies.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Review the IT job market.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information technology careers

**KEYWORDS:** Understand

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101. Describe the role of a systems analyst and the qualifications required for the position.

**ANSWER:** Answers will vary. A systems analyst is responsible for the design and implementation of information systems. In addition to computer knowledge and an information systems background, this position requires a thorough understanding of business systems and functional areas within a business organization.

**POINTS:** 1

**DIFFICULTY:** Moderate



## **Chapter 1 - Information Systems: An Overview**

**REFERENCES:** Review the IT job market.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.07

**TIVES:**

**TOPICS:** Information technology careers

**KEYWORDS:** Understand

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102. Describe how networking technology will improve in the future.

**ANSWER:** Answers will vary. Networking technology will improve, so connecting computers will be easier, and sending information from one location to another will be faster. Compatibility issues between networks will become more manageable, and integrating voice, data, and images on the same transmission medium will improve communication quality and information delivery.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Summarize the future outlook of information systems.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.11

**TIVES:**

**TOPICS:** Computing trends  
Information technology industry

**KEYWORDS:** Understand

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103. Discuss the impact of Internet growth in the future.

**ANSWER:** Answers will vary. By examining various factors related to designing, implementing, and using information systems, it can be predicted that Internet growth will continue, which will put small and large organizations on the same footing, regardless of their financial status. Internet growth will also make e-collaboration easier, despite geographical distances.

**POINTS:** 1

**DIFFICULTY:** Moderate

**REFERENCES:** Summarize the future outlook of information systems.

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MIS9.BIDG.19.01.11

**TIVES:**

**TOPICS:** Computing trends  
Information technology industry

**KEYWORDS:** Understand

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