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## Chapter 1

- 1. Why do students need to study information technology?
  - A. Information technology is everywhere in business
  - B. Information technology is rarely discussed in business magazines
  - C. Information technology is rarely used in organizations
  - D. Information technology is found in only a few businesses
- 2. What is any computer-based tool that people use to work with information and support the information and information-processing needs of an organization?
  - A. Information systems
  - B. Management information systems
  - C. Technology's role in business
  - D. Technology's impact on business
- 3. What is the function that plans for, develops, implements, and maintains IT hardware, software, and applications that people use to support the goals of an organization?
  - A. Information technology
  - B. Management information systems
  - C. Technology's role in business
  - D. Technology's impact on business

4.	What can IT enable an organization to accomplish?
	A. Reduce costs
	B. Improve productivity
	C. Generate growth
	D. All of the above
5.	Which of the following represents the order of priority for the three primary organizational key resources?
	A. Information systems, People, Processes
	B. People, Processes, Information systems
	C. Information systems, Processes, People
	D. People, processes, profit
6.	Which of the following represents the relationship between functional areas in a business?
	A. Independent
	B. Autonomous
	C. Interdependent
	D. Self-sufficient

	A. IS equals business success
	B. IS equals business innovation
	C. IS represents business success and innovation
	D. IS enables business success and innovation
8.	Which of the following is not a department found in most businesses?
	A. Human resources
	B. Accounting
	C. Management information systems (MIS)
	D. Payroll
9.	What is the name of a company's internal IT department?
	A. Management information systems (MIS)
	B. Information systems (IS)
	C. Information technology (IT)
	D. All of the above

7. Which of the following statements is true?

	A. Information
	B. Knowledge
	C. Data
	D. All of the above
11.	What is data that has been converted into meaningful and useful context?
	A. Information
	B. Knowledge
	C. Information systems
	D. All of the above
12.	Which of the following is considered information?
	A. Quantity sold
	B. Date sold
	C. Best selling item by month
	D. All of the above

10. What are raw facts that describe the characteristics of an event?

13.	Which of the following is considered data?
	A. Quantity sold
	B. Best customer by month
	C. Best selling item by month
	D. Worst selling item by month
14.	Which information culture can cause an organization to have a great degree of difficulty operating?
	A. Information-functional culture
	B. Information-sharing culture
	C. Information-inquiring culture
	D. Information-discovery culture
15.	Which information culture encourages employees across departments to be open to new insights about crisis and radical changes and seek ways to create competitive advantages?
	A. Information-functional culture
	B. Information-sharing culture
	C. Information-inquiring culture
	D. Information-discovery culture

16	6. Which information culture allows employees across departments to use information (especially
	about problems and failures) to improve performance?
	A. Information-functional culture
	B. Information-sharing culture
	C. Information-inquiring culture
	D. Information-discovery culture
17	7. Which information culture allows employees across departments to search for information to
	better understand the future and align themselves with current trends and new directions?
	A. Information-functional culture
	B. Information-sharing culture
	C. Information-inquiring culture
	D. Information-discovery culture
18	3. Which of the following is not one of Thomas Friedman's 10 forces that flattened the world?
	A. Netscape IPO
	B. Fall of the Berlin wall
	C. Microsoft IPO
	D. Wireless

19.	What did Thomas Friedman believe happened to the world because of the unplanned cascade of
	technological and social shifts?
	A. The world became bigger
	B. The world became flat
	C. The world became larger
	D. The world became more sophisticated
20.	Which of the following information cultures would have the greatest negative impact on Apple's
	business?
	A. Information-functional culture
	B. Information-sharing culture
	C. Information-inquiring culture
	D. Information-discovery culture
21.	What is a competitive advantage?
	A. A product that an organization's customers place a lesser value on than similar offerings from
	a competitor
	B. A product or service that an organization's customers value more highly than similar offerings
	from a supplier
	C. A service that an organization's customers place a lesser value on than similar offerings from a supplier
	D. A product or service that an organization's customers place a greater value on than similar
	offerings from a competitor

22.	What occurs when an organization can significantly impact its market share by being the first to
	market with a competitive advantage?
	A. Private exchange
	B. First-mover advantage
	C. Environmental scanning
	D. Loyalty program
	D. Loyalty program
23.	What is the acquisition and analysis of events and trends in the environment external to an
	organization?
	A. Private exchange
	B. First-mover advantage
	C. Environmental scanning
	D. Loyalty program
24	Which company in the text, uses environmental accoming to determine even thing from how well
<b>24</b> .	Which company, in the text, uses environmental scanning to determine everything from how well
	competing products are selling to the strategic placement of its own products?
	A. Kia
	B. FedEx
	C. Frito Lay
	D. Audi

25.	All of the following are common tools used in industry to analyze and develop competitive
	advantages, except:
	A. Five Forces Model
	B. Three Generic Strategies
	C. Competitive analysis model
	D. Value chain analysis
26.	What does the Five Forces Model help determine the relative attractiveness of?
	A. An organization
	B. A company
	C. An industry
	D. An investment
27.	Which of the following is not one of Porter's Five Forces?
	A. Buyer power
	B. Supplier power
	C. Threat of substitute buyers
	D. Rivalry among existing competitors

28.	Which of the following forces is commonly reduced through the use of a loyalty program?
	A. Buyer power
	B. Supplier power
	C. Threat of new entrants
	D. Rivalry among existing competitors
29.	Which of the following represents buyer power in Porter's Five Forces Model?
	A. Low when buyers have many choices of whom to buy from and high when their choices are few
	B. High when buyers have many choices of whom to buy from and low when their choices are few
	C. Low when buyers have many customers of whom to buy from and low when their customers are few
	D. High when buyers have many customers of whom to buy from and low when their customers are few
30.	Which of the following represents supplier power in Porter's Five Forces Model?
	A. High when buyers have few choices of whom to buy from and low when their choices are many
	B. Low when buyers have few choices of whom to buy from and high when their choices are many
	C. High when buyers have many choices of whom to buy from and low when their choices are few
	D. None of the above

31.	Which of the following is an example of a loyalty program?
	A. Frequent-flier programs for airlines
	B. Frequent-stayer programs for hotels
	C. Frequent-dining programs for restaurants
	D. All of the above
32.	What is a business-to-business marketplace?
	A. An Internet-based service that brings together many buyers
	B. A personal business that brings together many sellers
	C. An Internet-based service that brings together many buyers and sellers
	D. A personal business that brings together many buyers and sellers
33.	What is a business-to-business (B2B) marketplace in which a single buyer posts its needs and then opens the bidding to any supplier who would care to bid?
	A. Reverse auction
	B. Private exchange
	C. Private auction
	D. Reverse exchange

	to supply the desired product or service at an increasingly lower price?
	A. Reverse auction
	B. Private exchange
	C. Private auction
	D. Reverse exchange
35.	Which of the following is an example of the way that information technology can reduce supplier
	power for an organization?
	A. Switching costs
	B. Reverse auction
	C. Entry barrier
	D. Loyalty program
36.	What is an entry barrier?
	A. A product feature that customers have come to expect from organizations in a particular
	industry and must be offered by an entering organization to compete and survive
	B. A service feature that customers have come to expect from organizations in a particular
	industry and must be offered by an entering organization to compete and survive
	C. A product or service feature that customers have come to expect from organizations in a
	particular industry and must be offered by an entering organization to compete and survive
	D. A product or service feature that customers no longer expect from organizations in a particular
	industry and do not need to be offered by an entering organization to compete and survive

34. What is an auction format in which increasingly lower bids are solicited from organizations willing

37. Which of the following forces is commonly reduced through the use of switching costs?
A. Buyer power
B. Supplier power
C. Threat of substitute products or services
D. Rivalry among existing competitors
38. What is high when competition is fierce in a market and low when competition is more complacent?
A. Buyer power
B. Supplier power
C. Threat of substitute products or services
D. Rivalry among existing competitors
39. All of the following are part of Porter's Three Generic Strategies, except:
A. Broad cost leadership
B. Broad differentiation
C. Focused strategy
D. Business process strategy
B. Broad differentiation C. Focused strategy

40. Which of the following is Hyundai using as its generic strategy?	
A. Broad cost leadership	
B. Broad differentiation	
C. Focused cost leadership	
D. Focused differentiation	
41. Which of the following is Hummer using as its generic strategy?	
A. Broad cost leadership	
B. Broad differentiation	
C. Focused cost leadership	
D. Focused differentiation	
42. Which of the following is considered a business process?	
A. Processing a customer's order	
B. Processing a customer's inquiry	
C. Processing a customer's complaint	
D. All of the above	

43.	Which of the following can an organization use to evaluate the effectiveness of its business
	processes?
	A. Porter's Five Forces Model
	B. Three generic strategies
	C. Value chain
	D. First-mover advantage strategy
44.	Which approach views an organization as a series of process, each of which adds value to the
	product or service for each customer?
	A. Louis cost atratages
	A. Low cost strategy
	B. Business process
	C. Value chain
	D. First-mover advantage
45.	Which part of the value chain acquires raw materials and manufactures, delivers, markets, sells,
	and provides after-sales services?
	A. Primary value activities
	B. Secondary value activities
	C. Support value activities
	D. None of the above
	D. NOTIC OF THE ADOVE

46.	Which of the following supports the primary value activities in the value chain?
	A. Primary value activities
	B. Secondary value activities
	C. Support value activities
	D. None of the above
47.	Which part of the value chain includes firm infrastructure, human resources management,
	technology development, and procurement?
	A. Primary value activities
	B. Secondary value activities
	C. Support value activities
	D. None of the above
48.	Which one of the business functions receives the benefits the most from Information Systems
	when compared to others?
	A. Security
	B. Human Resources
	C. IT Operations
	D. Customer Service

49.	Which one of the following is used for decision making?
	A. Information
	B. Knowledge
	C. Information systems
	D. All of the above
50.	Which of the following is considered knowledge?
	A. Quantity sold
	B. Date sold
	C. Best selling item
	D. Historical trend of quantity sold
51.	Which of the following companies uses the focused differentiation strategy?
	A. Hyundai
	B. Audi
	C. Kia
	D. Tesla

52.	Which of the following companies uses the broad differentiation strategy?
	A. Hyundai
	B. Audi
	C. Kia
	D. Tesla
53.	Which of the following companies uses the focused cost leadership strategy?
	A. Hyundai
	B. Audi
	C. Kia
	D. Tesla
54.	Information systems are implemented to support a company's competitive business
	<u> </u>
	A. Market share
	B. Technology
	C. Profitability
	D. Strategy

	A. Hyundai
	B. Audi
	C. Kia
	D. Tesla
56.	in the Five Forces Model is high when it is easy for new competitors to enter a market
	and low when there are significant entry barriers to entering a market.
	A. Buyer power
	B. Supplier power
	C. Threat of new entrants
	D. Rivalry among existing competitors
57.	The <i>threat of new entrants</i> in the Five Forces Model is when it is easy for new competitors
	to enter a market and low when there are significant entry barriers to entering a market.
	A. low
	B. high
	C. unchanged
	D. unaffected

55. Which of the following companies uses the broad cost leadership strategy?

58.	in the Porter's Five Forces Model is high when buyers have many choices of whom to buy
	from and low when their choices are few.
	A. Buyer power
	B. Supplier power
	C. Threat of new entrants
	D. Rivalry among existing competitors
59.	Buyer power in the Porter's Five Forces Model is when buyers have many choices of whom to buy from and low when their choices are few.
	A. low
	B. high
	C. unchanged
	D. unaffected
60.	Who is responsible for ensuring the ethical and legal use of information within an organization?
	A. CIO
	B. CTO
	C. CPO
	D. CSO

61.	is high when buyers have few choices of whom to buy from and low when their choices
	are many.
	A. Buyer power
	B. Supplier power
	C. Threat of new entrants
	D. Rivalry among existing competitors
62.	Supplier power is when buyers have few choices of whom to buy from and low when
	their choices are many.
	A. low
	B. high
	C. unchanged
	D. unaffected
00	
63.	Supplier power is high when buyers have choices of whom to buy from and low when
	their choices are many.
	A. more
	B. few
	C. many
	D. too many

64.	Which of the following activities does a CIO perform?
	A. Oversees all uses of information technology
	B. Ensures the strategic alignment of IT with business goals
	C. Ensures the strategic alignment of IT with business objectives
	D. All of the above
65.	Broad functions of a CIO include all of the following, except:
	A. Ensuring the delivery of all IT projects, on time and within budget
	B. Ensuring that the strategic vision of IT is in line with the strategic vision of the organization
	C. Building and maintaining strong executive relationships
	D. Building and maintaining strong customer processes
66.	Which issue concerns CIOs the most?
	A. Security
	B. Budgeting
	C. Enhancing customer satisfaction and retaining customers
	D. Marketing

67.	Who is responsible for ensuring the throughput, transaction speed, accuracy, system availability,
	and reliability of an organization's information technology?
	A. CIO
	B. CPO
	C. CTO
	D. CSO
68	Who is responsible for ensuring the security of IT systems and developing strategies and IT
00.	safeguards against attacks from hackers and viruses?
	saleguards against attacks from flackers and viruses:
	A. CIO
	B. CPO
	C. CTO
	D. CSO
69.	Who is responsible for collecting, maintaining, and distributing an organization's knowledge?
	A. CIO
	B. CSO
	C. CTO
	D. CKO

70.	The Five Forces Model, the three generic strategies, and value chain analysis are all methods by
	which organizations can assess their
	A. Market share
	B. Information systems
	C. Profitability
	D. Competitive advantage
71.	It is the responsibility of the CIO to ensure effective communications between business and IT personnel.
	True False
72.	Managers need to understand that IS success is incredibly easy to measure.
	True False
73.	The Five Forces Model, the three generic strategies, and value chain analysis are all methods by
	which organizations can assess their competitive advantage.
	True False
74.	The three generic strategies are broad competitive approaches that organizations fall under.
	True False
75.	Information systems are implemented to support a company's competitive business strategy.
	True False

76.	Inform	ation technology equals business success and innovation.
	True	False
77.		t all organizations today have an internal IT department, often called Information ology (IT), Information Systems (IS), or Management Information Systems (MIS).
	True	False
78.	The in	formation which is actionable is referred to as knowledge.
	True	False
79.		key resources-people, processes, and information systems, (in that order of priority)-are cably linked. If one fails, they all fail.
	True	False
80.		our common information sharing cultures include information-functional culture, information-g culture, information-discovery culture.
	True	False
81.	A com	petitive advantage is typically temporary, unless it is a first-mover advantage.
	True	False

82.	Buyer	power,	supplier power, threat of new entrants, threat of products or services, and rivalry
	amon	g existin	g competitors are all included in Porter's Five Forces Model.
	True	False	
83.	Switch	ning cos	ts are typically used to influence the threat of substitute products or services.
	True	False	
84.	An en	try barri	er is typically used to influence the rivalry among existing competitors.
	True	False	
85.	Kia is	followin	g a broad differentiation strategy.
	True	False	
86.	In tele	phone i	ndustry, the local number portability (LNP) feature decreases the threat of substitute
	produ	cts.	
	True	False	
87.	Job tit	les, role	es, and responsibilities do not differ from organization to organization.
	True	False	
88.			is responsible for ensuring the ethical and legal use of information within an
	organi	ization.	

89.	The ability to use the same telephone number while switching the carrier company is called
90.	is "actionable information" which is used for decision making.
91.	The three generic strategies are broad approaches that organizations fall under.
92.	information systems is the function that plans for, develops implements, and maintains IT hardware, software, and applications that people use to support the goals of an organization.
93.	Information technology is any computer-based tool that people use to work with and support the information and information processing needs of an organization.
94.	are raw facts that describe the characteristics of an event.

95.	is data converted into a meaningful and useful context.
96.	Information culture allows employees across departments to search for information to better understand the future and align themselves with current trends and new directions.
97.	A(n) advantage is a product or service that an organization's customers place a greater value on than similar offerings from a competitor.
98.	A first mover advantage occurs when an organization can significantly impact its market share by being the first to market with a advantage.
9.	Environmental scanning is the acquisition and analysis of events and trends in the environment to an organization.
100	The Five Forces Model helps to determine the relative attractiveness of a/an

101	Buyer power, supplier power, threat of substitute products or services, threat of new, and rivalry among existing competitors are all included in Porter's Five Forces Model.
102	power in the Porter's Five Forces Model is high when buyers have few choices of whom to buy from and low when their choices are many.
103	power in the Porter's Five Forces Model is high when buyers have many choices of whom to buy from and low when their choices are few.
104	programs reward customers based on the amount of business they do with a particular organization.
105	The travel industry is famous for its programs.
106	A(n) chain consists of all parties involved, directly or indirectly, in the procurement of a product or raw material.

107	A(n) exchange is a business-to-business (B2B) marketplace in which a single buyer
	posts its needs and then opens the bidding to any supplier who would care to bid.
108	A reverse auction is an auction format in which increasingly lower bids are solicited from organizations willing to supply the desired product or service at an increasingly price.
109	costs are costs that can make customers reluctant to switch to another product or service.
110	An entry is a product or service feature that customers have come to expect from organizations in a particular industry and must be offered by an entering organization to compete and survive.
111	Rivalry among existing competitors is when competition is fierce in a market.
112	Audi is following a broad strategy with its Quattro model which is available at several price points.

113	A(n) process is a standardized set of activities that accomplish a specific task, such
	as processing a customer's order.
114	Market and sell the product or service is considered a value activity in the value chain.
115	value activities in the value chain acquire raw materials and manufactures, delivers, markets, sells, and provides after-sales services.
116	value activities include firm infrastructure, human resource management, technology development, and procurement.
117	is an executive-level position that involves high-level strategic planning and management of information systems pertaining to the creation, storage, and use of information by a business.
118	is responsible for ensuring the throughput, speed, accuracy, availability, and reliability of an organization's information technology.

119	The, the three generic strategies, and value chain analysis are all methods by which
	organizations can assess their competitive advantage.
120	The Five Forces Model, the, and value chain analysis are all methods by which organizations can assess their competitive advantage.
121	The Five Forces Model, the three generic strategies, and are all methods by which organizations can assess their competitive advantage.
	The Five Forces Model, the three generic strategies, and value chain analysis are all methods by which organizations can assess their advantage.
123	The Five Forces Model, the three generic strategies, and value chain analysis are all methods by which organizations can assess their competitive
124	chain analysis is a highly useful tool in that it provides hard and fast numbers for evaluating the activities that add value to products and services.

125	.Value chain analysis is a highly useful tool in that it provides hard and fast numbers for evaluating the activities that add to products and services.
126	The knowledge officer is responsible for collecting, maintaining, and distributing the organization's knowledge.
127	The chief officer is responsible for collecting, maintaining, and distributing the organization's knowledge.
128	s.IS personnel must understand the if the organization is going to determine which technologies can benefit (or hurt) the business.
129	The Five Forces Model, the three generic strategies, and value chain analysis are all by which organizations can assess their competitive advantage.

130.Discuss what is meant by the term "business-driven information systems".
131.Compare management information systems (MIS) and information technology (IS).
420 Europia the relationship arrang popular processes information contains and information
132.Explain the relationship among people, processes, information systems, and information.

133.Identify four different departments in a typical business and explain how technology helps them
to work together.
134. Distinguish between Information Systems and Information Technology.
135.Do you agree or disagree with Friedman's assessment that the world is flat? Be sure to justify
your answer.

136.Explain why competitive advantages are typically temporary.
137.Explain how Frito Lay uses environmental scanning.
138.Describe and compare buyer power and supplier power in Porter's Five Forces Model. Also, explain how an organization can manipulate buyer power and supplier power.

139.List and describe Porter's three generic strategies and provide an example of a company that is
using each strategy.
140.Explain value chains and the differences between primary and support value activities.
141.Distinguish among data, information, and knowledge.

142. What is the competitive advantage? What are the common tools that organizations use for	
developing the competitive advantage?	
143.What is a business process? Describe upon how organizations evaluate the effectiveness of th	eir
business processes.	
144.Compare and contrast the five forces model, the three generic strategies, and the value chain	
analysis. And comment upon how information systems drive the business.	

145.List and describe the five common IT-related strategic positions.	
146.Describe the gap between business personnel and IT personnel and what an organization can do	
to close this gap.	

## c1 Key

1. (p. 4)	Why do students need to study information technology?
	A. Information technology is everywhere in business
	B. Information technology is rarely discussed in business magazines
	C. Information technology is rarely used in organizations
	D. Information technology is found in only a few businesses
	Information technology is everywhere in business, see the Figure Technology in Business Week and Fortune.
	Chapter - Chapter 01 #1 Gradable: automatic
	Learning Outcome: 1.1
	Level: Easy
2.	What is any computer-based tool that people use to work with information and support the
(p. 6)	information and information-processing needs of an organization?
	A. Information systems
	B. Management information systems
	C. Technology's role in business
	D. Technology's impact on business
	This is the definition of information systems.

3. What is the function that plans for, develops, implements, and maintains IT hardware, (p. 7)software, and applications that people use to support the goals of an organization? A. Information technology B. Management information systems C. Technology's role in business D. Technology's impact on business This is the definition of management information systems. Chapter - Chapter 01 #3 Gradable: automatic Learning Outcome: 1.2 Level: Easy 4. What can IT enable an organization to accomplish? (p. 5) A. Reduce costs B. Improve productivity C. Generate growth **D.** All of the above IT can enable an organization to accomplish all of the above as displayed in the figure

Business Benefits and Information Technology Project Goals.

5. (p. 8)	Which of the following represents the order of priority for the three primary organizational key resources?
	A. Information systems, People, Processes
	B. People, Processes, Information systems
	C. Information systems, Processes, People
	D. People, processes, profit
	The key resources—people, processes, and information systems (in that order of priority)—
	are inextricably linked and are essential for the creation of information.
	Chapter - Chapter 01 #5 Gradable: automatic Learning Outcome: 1.2 Level: Easy
6. (p. 5)	Which of the following represents the relationship between functional areas in a business?
	A. Independent
	B. Autonomous
	C. Interdependent
	D. Self-sufficient
	Functional areas are interdependent.

	A. IS equals business success	
	B. IS equals business innovation	
	C. IS represents business success and innovation	
	<u>D.</u> IS enables business success and innovation	
	IT is an important enabler of business success and innovation.	
		Chapter - Chapter 01 #/
		Gradable: automatic
		Learning Outcome: 1.2 Level: Easy
8. (p. 6)	Which of the following is not a department found in most businesses?	
	A. Human resources	
	B. Accounting	
	C. Management information systems (MIS)	
	<u>D.</u> Payroll	
	Payroll is a task performed by the Accounting department.	
		Chapter - Chapter 01 #8
		Gradable: automation

Level: Medium

Which of the following statements is true?

7.

(p. 6)

9. (p. 6)	What is the name of a company's internal IT department?	
	A. Management information systems (MIS)	
	B. Information systems (IS)	
	C. Information technology (IT)	
	<u>D.</u> All of the above	
	Typical organizations have an internal IS department often called Information Information Systems (IS), or Management Information Systems (MIS).	Technology (IT),
		Chapter - Chapter 01 #9 Gradable: automatic Learning Outcome: 1.2 Level: Easy
10. (p. 7)	What are raw facts that describe the characteristics of an event?	
	A. Information	
	B. Knowledge	
	<u>C.</u> Data	
	D. All of the above	
	This is the definition of data.	
		Chapter - Chapter 01 #16

(p. 7)		
	A. Information	
	B. Knowledge	
	C. Information systems	
	D. All of the above	
	This is the definition of information.	
		Chapter - Chapter 01 #1
		Gradable: automatic
		Learning Outcome: 1.2
		Level: Easy
<b>12.</b> (p. 7)	Which of the following is considered information?	
	A. Quantity sold	
	B. Date sold	
	C. Best selling item by month	
	D. All of the above	
	Best selling item by month is information.	
		Chapter - Chapter 01 #12
		Gradable: automati

Level: Medium

What is data that has been converted into meaningful and useful context?

(p. 7)	
	A. Quantity sold
	B. Best customer by month
	C. Best selling item by month
	D. Worst selling item by month
	Quantity sold is data.
	Chapter - Chapter 01 #13
	Gradable: automatic
	Learning Outcome: 1.2
	Level: Medium
14.	Which information culture can cause an organization to have a great degree of difficulty
(p. 8)	operating?
	A lessage stick from ations at a relations
	A. Information-functional culture
	B. Information-sharing culture
	C. Information-inquiring culture
	D. Information-discovery culture
	If an organization operates with an information-functional culture it will have a great degree of
	difficulty operating.

Chapter - Chapter 01 #14

Gradable: automatic

Learning Outcome: 1.2

Level: Medium

Which of the following is considered data?

<b>15</b> . <i>(p. 9)</i>	Which information culture encourages employees across departments to be open to new insights about crisis and radical changes and seek ways to create competitive advantages?
	<ul> <li>A. Information-functional culture</li> <li>B. Information-sharing culture</li> <li>C. Information-inquiring culture</li> <li><u>D.</u> Information-discovery culture</li> </ul>
	An information-discovery culture will allow an organization to get products to market quickly and easily see a 360-degree view of its entire organization?
	Chapter - Chapter 01 #15 Gradable: automatic Learning Outcome: 1.2 Level: Easy
16. (p. 9)	Which information culture allows employees across departments to use information (especially about problems and failures) to improve performance?
	A. Information-functional culture  B. Information-sharing culture  C. Information-inquiring culture  D. Information-discovery culture  This is the definition of information-sharing culture.
	Chapter - Chapter 01 #16

17.	Which information culture allows employees across departments to search for information to
(p. 9)	better understand the future and align themselves with current trends and new directions?
	A. Information-functional culture
	B. Information-sharing culture
	C. Information-inquiring culture
	D. Information-discovery culture
	This is the definition of information-inquiring culture.
	Chapter - Chapter 01 #17
	Gradable: automatic
	Learning Outcome: 1.2  Level: Easy
18.	Which of the following is not one of Thomas Friedman's 10 forces that flattened the world?
(p. 24)	
	A. Netscape IPO
	B. Fall of the Berlin wall
	C. Microsoft IPO
	D. Wireless
	Microsoft's IPO is not one of Friedman's flatteners.
	MIGOSORS IF O IS NOT ONE OF FREGUNALIS HARRENETS.
	Chapter - Chapter 01 #18  Gradable: automatic

Level: Haro

<b>19</b> . <i>(p. 23)</i>	What did Thomas Friedman believe happened to the world because of the unplanned cascade of technological and social shifts?
	A. The world became bigger
	B. The world became flat
	C. The world became larger
	D. The world became more sophisticated
	Thomas Friedman believes that the world became flat.
	Chapter - Chapter 01 #19
	Gradable: automatic
	Learning Outcome: 1.1
20.	Which of the following information cultures would have the greatest negative impact on Apple's
(p. 9)	business?
	A. Information-functional culture
	B. Information-sharing culture
	C. Information-inquiring culture
	D. Information-discovery culture
	In an information-functional culture employees use information as a means of exercising
	influence or power over others. With this type of culture it would be difficult for Apple to gain
	visibility into its overall operations.

Level: Haro

<b>21.</b> <i>(p. 13)</i>	What is a competitive advantage?
	A. A product that an organization's customers place a lesser value on than similar offerings from a competitor
	B. A product or service that an organization's customers value more highly than similar offerings from a supplier
	C. A service that an organization's customers place a lesser value on than similar offerings from a supplier
	<u>D.</u> A product or service that an organization's customers place a greater value on than similar offerings from a competitor
	This is the definition of competitive advantage.
	Chapter - Chapter 01 #2 Gradable: automatic Learning Outcome: 1. Level: Eas
<b>22.</b> (p. 13)	What occurs when an organization can significantly impact its market share by being the first to market with a competitive advantage?
	<ul> <li>A. Private exchange</li> <li>B. First-mover advantage</li> <li>C. Environmental scanning</li> <li>D. Loyalty program</li> </ul>

This is the definition of first-mover advantage.

<b>23</b> . <i>(p. 14)</i>	What is the acquisition and analysis of events and trends in the environment external to an organization?
	A. Private exchange
	B. First-mover advantage
	C. Environmental scanning
	D. Loyalty program
	This is the definition of environmental scanning.
	Chapter - Chapter 01 #23 Gradable: automatic
	Learning Outcome: 1.4 Level: Easy
24.	Which company, in the text, uses environmental scanning to determine everything from how
(p. 14)	well competing products are selling to the strategic placement of its own products?
	A. Kia
	B. FedEx
	C. Frito Lay
	D. Audi
	Frito Lay uses environment scanning extensively.

25.	All of the following are common tools used in industry to analyze and develop competitive
(p. 14)	advantages, except:
	A. Five Forces Model
	B. Three Generic Strategies
	C. Competitive analysis model
	D. Value chain analysis
	A competitive analysis model is not discussed in this text.
	Chapter - Chapter 01 #25
	Gradable: automatic
	Learning Outcome: 1.4
	Level: Easy
26.	What does the Five Forces Model help determine the relative attractiveness of?
(p. 14)	
	A. An organization
	B. A company
	C. An industry
	D. An investment
	This is the definition of Porter's Five Forces Model.

27. (p. 14)	Which of the following is not one of Porter's Five Forces?
	A. Buyer power
	B. Supplier power
	C. Threat of substitute buyers
	D. Rivalry among existing competitors
	The answer should be the threat of substitute products or services, not substitute buyers.
	Chapter - Chapter 01 #27
	Gradable: automatic  Learning Outcome: 1.4
	Level: Medium
28. (p. 15)	Which of the following forces is commonly reduced through the use of a loyalty program?
	A. Buyer power
	B. Supplier power
	C. Threat of new entrants
	D. Rivalry among existing competitors
	To reduce buyer power an organization must make it more attractive for customers to buy
	from them than from their competition. One of the best IT-based examples is the loyalty
	programs that many organizations offer.
	Chapter - Chapter 01 #26

Gradable: automatic Learning Outcome: 1.4

Level: Medium

29. Which of the following represents buyer power in Porter's Five Forces Model?

(p. 15)

- A. Low when buyers have many choices of whom to buy from and high when their choices are few
- **B.** High when buyers have many choices of whom to buy from and low when their choices are few
- C. Low when buyers have many customers of whom to buy from and low when their customers are few
- D. High when buyers have many customers of whom to buy from and low when their customers are few

This is the definition of buyer power.

Chapter - Chapter 01 #29 Gradable: automatic

Learning Outcome: 1.4

30. (p. 15)	Which of the following represents supplier power in Porter's Five Forces Model?		
	A. High when buyers have few choices of whom to buy from and low when their choices are many		
	B. Low when buyers have few choices of whom to buy from and high when their choices are many		
	C. High when buyers have many choices of whom to buy from and low when their choices are few		
	D. None of the above		
	This is the definition of supplier power.		
	Chapter - Chapter 01 #36		
	Gradable: automatic  Learning Outcome: 1.4		
	Level: Medium		
<b>31</b> . <i>(p. 14-15)</i>	Which of the following is an example of a loyalty program?		
	A. Frequent-flier programs for airlines		
	B. Frequent-stayer programs for hotels		
	C. Frequent-dining programs for restaurants		
	<u>D.</u> All of the above		
	All of the above are examples of loyalty programs.		

(p. 15)	
	A. An Internet-based service that brings together many buyers
	B. A personal business that brings together many sellers
	C. An Internet-based service that brings together many buyers and sellers
	D. A personal business that brings together many buyers and sellers
	This is the definition of B2B marketplace.
	Chapter - Chapter 01 #32
	Gradable: automatic
	Learning Outcome: 1.4  Level: Easy
33.	What is a business-to-business (B2B) marketplace in which a single buyer posts its needs and
(p. 15)	then opens the bidding to any supplier who would care to bid?
	A. Reverse auction
	B. Private exchange
	C. Private auction
	D. Reverse exchange
	This is the definition of private exchange.
	Chapter - Chapter 01 #33
	Gradable: automatic

Level: Easy

32.

What is a business-to-business marketplace?

34. What is an auction format in which increasingly lower bids are solicited from organ			
(p. 15)	willing to supply the desired product or service at an increasingly lower price?		
	A. Reverse auction		
	B. Private exchange		
	C. Private auction		
	D. Reverse exchange		
	This is the definition of reverse auction.		
	Chapter - Chapter 01 #34		
	Gradable: automatic  Learning Outcome: 1.4		
	Level: Easy		
35.	Which of the following is an example of the way that information technology can reduce		
(p. 15)	supplier power for an organization?		
	A. Switching costs		
	B. Reverse auction		
	C. Entry barrier		
	D. Loyalty program		
	A reverse auction reduces supplier power, while switching costs and entry barriers are		
	typically used to increase supplier power.		

36. What is an entry barrier?

(p. 16)

- A. A product feature that customers have come to expect from organizations in a particular industry and must be offered by an entering organization to compete and survive
- B. A service feature that customers have come to expect from organizations in a particular industry and must be offered by an entering organization to compete and survive
- <u>C.</u> A product or service feature that customers have come to expect from organizations in a particular industry and must be offered by an entering organization to compete and survive
- D. A product or service feature that customers no longer expect from organizations in a particular industry and do not need to be offered by an entering organization to compete and survive

This is the definition of entry barrier.

Chapter - Chapter 01 #36

Gradable: automatic

Learning Outcome: 1.4

Level: Medium

<b>37.</b> <i>(p. 15)</i>	Which of the following forces is commonly reduced through the use of switching costs?
	A. Buyer power
	B. Supplier power
	C. Threat of substitute products or services
	D. Rivalry among existing competitors
	To reduce buyer power an organization must make it more attractive for customers to buy
	from them than from their competition. One of the best IT-based examples is the loyalty
	programs that many organizations offer.
	Chapter - Chapter 01 #37
	Gradable: automatic
	Learning Outcome: 1.4  Level: Medium
38. (p. 16)	What is high when competition is fierce in a market and low when competition is more complacent?
	A. Buyer power
	B. Supplier power
	C. Threat of substitute products or services
	<u>D.</u> Rivalry among existing competitors
	This is the definition of rivalry among existing competitors.

(p. 16)		
	A. Broad cost leadership	
	B. Broad differentiation	
	C. Focused strategy	
	<u>D.</u> Business process strategy	
	Business process strategy is not a part of Porter's Three Generic Strategies.	
		Chapter - Chapter 01 #35 Gradable: automatic Learning Outcome: 1.2 Level: Easy
<b>40.</b> (p. 17)	Which of the following is Hyundai using as its generic strategy?	
	A. Broad cost leadership	
	B. Broad differentiation	
	C. Focused cost leadership	
	D. Focused differentiation	
	Hyundai is following a broad cost leadership strategy.	
		Chapter - Chapter 01 #40 Gradable: automatic

Level: Medium

All of the following are part of Porter's Three Generic Strategies, except:

	A. Broad cost leadership	
	B. Broad differentiation	
	C. Focused cost leadership	
	<u>D.</u> Focused differentiation	
	Hummer is following a focused differentiation strategy.	
		Chapter - Chapter 01 #41
		Gradable: automatic Learning Outcome: 1.4
		Level: Medium
<b>42</b> . (p. 18)	Which of the following is considered a business process?	
	A. Processing a customer's order	
	B. Processing a customer's inquiry	
	C. Processing a customer's complaint	
	<u>D.</u> All of the above	
	All of the above are considered business processes.	
		Chapter - Chapter 01 #42
		Gradable: automatic

Level: Easy

Which of the following is Hummer using as its generic strategy?

41.

(p. 17)

43.	Which of the following can an organization use to evaluate the effectiveness of its business
(p. 18)	processes?
	A. Porter's Five Forces Model
	B. Three generic strategies
	<u>C.</u> Value chain
	D. First-mover advantage strategy
	Value chains are designed to evaluate business processes.
	Chapter - Chapter 01 #43 Gradable: automatic
	Learning Outcome: 1.4
	Level: Easy
44.	Which approach views an organization as a series of process, each of which adds value to the
(p. 18)	product or service for each customer?
	A. Low cost strategy
	B. Business process
	<u>C.</u> Value chain
	D. First-mover advantage
	<del>-</del>
	This is the definition of value chain.
	Chapter - Chapter 01 #44

45.	vynich part of the value chain acquires raw materials and manufactures, delivers,	markets,
(p. 18-19)	<sup>(9)</sup> sells, and provides after-sales services?	
	A. Primary value activities	
	B. Secondary value activities	
	C. Support value activities	
	D. None of the above	
	This is the definition of primary value activities.	
	Chapt	ter - Chapter 01 #45
		Gradable: automatic arning Outcome: 1.4
	Loc	Level: Medium
46.	Which of the following supports the primary value activities in the value chain?	
(p. 18-19)	<i>9)</i>	
	A. Primary value activities	
	B. Secondary value activities	
	C. Support value activities	
	D. None of the above	
	This is the definition of support value activities.	
	Chant	ter - Chapter 01 #46
		Gradable: automatic

<b>47</b> . <i>(p. 18)</i>	Which part of the value chain includes firm infrastructure, human resources management, technology development, and procurement?
	A. Primary value activities
	B. Secondary value activities
	C. Support value activities
	D. None of the above
	These functions are a part of the support value activities.
	Chapter - Chapter 01 #47 Gradable: automatic Learning Outcome: 1.4
	Level: Medium
48. (p. 4)	Which one of the business functions receives the benefits the most from Information Systems when compared to others?
	A. Security
	B. Human Resources
	C. IT Operations
	<u>D.</u> Customer Service
	Figure 2.4 presents data regarding business units and the greatest benefits received from Information Systems.

49. (p. 7)	Which one of the following is used for decision making?	
	A. Information	
	B. Knowledge	
	C. Information systems	
	D. All of the above	
	Knowledge is "actionable information" which is used for decision making.	
		Chapter - Chapter 01 #49 Gradable: automation Learning Outcome: 1.2 Level: Easy
50. (p. 7)	Which of the following is considered knowledge?	
	A. Quantity sold	
	B. Date sold	
	C. Best selling item	
	<u>D.</u> Historical trend of quantity sold	
	Knowledge is "actionable information".	
		Chapter - Chapter 01 #50 Gradable: automatic

Level: Medium

5 <b>1.</b> (p. 17)	Which of the following companies uses the focused differentiation strategy?	
	A. Hyundai	
	B. Audi	
	C. Kia	
	<u>D.</u> Tesla	
	Tesla is following a focused differentiation strategy.	
		Chapter - Chapter 01 #51 Gradable: automatic Learning Outcome: 1.4 Level: Medium
52. (p. 17)	Which of the following companies uses the broad differentiation strategy?	
	A. Hyundai	
	B. Audi	
	C. Kia	
	D. Tesla	
	Audi is pursuing the broad differentiation strategy.	
		Chapter - Chapter 01 #52 Gradable: automatic
		Grauavie: autornatic

53. (p. 17)	Which of the following companies uses the focused cost leadership strategy?
	A. Hyundai
	B. Audi
	<u>C.</u> Kia
	D. Tesla
	Kia has a more focused cost leadership strategy.
	Chapter - Chapter 01 #53
	Gradable: automatic
	Learning Outcome: 1.4  Level: Medium
<b>54.</b> (p. 20)	Information systems are implemented to support a company's competitive business
	A. Market share
	B. Technology
	C. Profitability
	<u>D.</u> Strategy
	Information systems are implemented to support a company's competitive business strategy.
	Chapter - Chapter 01 #54

Gradable: automatic
Learning Outcome: 1.5

(p. 17)	
	A. Hyundai
	B. Audi
	C. Kia
	D. Tesla
	Hyundai is following a broad cost leadership strategy.
	Chapter - Chapter 01 #55
	Gradable: automatic
	Learning Out∞me: 1.4 Level: Medium
56.	in the Five Forces Model is high when it is easy for new competitors to enter a market
(p. 16)	and low when there are significant entry barriers to entering a market.
	A. Buyer power
	B. Supplier power
	C. Threat of new entrants
	D. Rivalry among existing competitors
	The <i>threat of new entrants</i> in the Five Forces Model is high when it is easy for new
	competitors to enter a market and low when there are significant entry barriers to entering a
	market.

Chapter - Chapter 01 #56

Gradable: automatic

Learning Outcome: 1.4

Level: Medium

Which of the following companies uses the broad cost leadership strategy?

57.	The threat of new entrants in the Five Forces Model is when it is easy for new
(p. 16)	competitors to enter a market and low when there are significant entry barriers to entering a
	market.
	A. low
	B. high
	C. unchanged
	D. unaffected
	The <i>threat of new entrants</i> in the Five Forces Model is high when it is easy for new
	competitors to enter a market and low when there are significant entry barriers to entering a
	market.
	Chapter - Chapter 01 #57
	Gradable: automatic
	Learning Outcome: 1.4  Level: Medium
	Level. Ivieulum
58.	in the Porter's Five Forces Model is high when buyers have many choices of whom to
(p. 15)	buy from and low when their choices are few.
	A. Buyer power
	B. Supplier power
	C. Threat of new entrants
	D. Rivalry among existing competitors
	Buyer power in the Porter's Five Forces Model is high when buyers have many choices of
	whom to buy from and low when their choices are few.

59.	Buyer power in the Porter's Five Forces Model is	when buyers have many choices of
(p. 15)	whom to buy from and low when their choices are few.	
	A. low	
	B. high	
	C. unchanged	
	D. unaffected	
	Buyer power in the Porter's Five Forces Model is high w	hen buyers have many choices of
	whom to buy from and low when their choices are few.	
		Chapter - Chapter 01 #59
		Gradable: automatic
		Learning Out∞me: 1.4 Level: Medium
60.	Who is responsible for ensuring the ethical and legal use	e of information within an
(p. 11)	organization?	
	A. CIO	
	B. CTO	
	<b>C.</b> CPO	
	D. CSO	
	5. 000	
	This is the definition of CPO.	

Gradable: automatic

Learning Outcome: 1.2

Level: Medium

61.	is high when buyers have few choices of whom to buy from and low when their
(p. 15)	choices are many.
	A. Buyer power
	B. Supplier power

D. Rivalry among existing competitors

C. Threat of new entrants

Supplier power is high when buyers have few choices of whom to buy from and low when their choices are many.

Chapter - Chapter 01 #61
Gradable: automatic
Learning Outcome: 1.4
Level: Medium

62.	Supplier power is when buyers have few choices of whom to buy from and low when
(p. 15)	their choices are many.
	A. low
	B. high
	C. unchanged
	D. unaffected
	Supplier power is high when buyers have few choices of whom to buy from and low when their
	choices are many.
	Chapter - Chapter 01 #62
	Gradable: automatic
	Learning Outcome: 1.4
	Level: Medium
63.	Supplier power is high when buyers have choices of whom to buy from and low
(p. 15)	when their choices are many.
	A. more
	<u>B.</u> few
	C. many
	D. too many
	Supplier power is high when buyers have few choices of whom to buy from and low when their
	choices are many.

A. Oversees all uses of information technology B. Ensures the strategic alignment of IT with business goals C. Ensures the strategic alignment of IT with business objectives **D.** All of the above The CIO performs all of the above. Chapter - Chapter 01 #64 Gradable: automatic Learning Outcome: 1.2 Level: Medium 65. Broad functions of a CIO include all of the following, except: (p. 9) A. Ensuring the delivery of all IT projects, on time and within budget B. Ensuring that the strategic vision of IT is in line with the strategic vision of the organization C. Building and maintaining strong executive relationships **D.** Building and maintaining strong customer processes

The CIO performs the function of manager, leader, and communicator. The CIO typically does

Which of the following activities does a CIO perform?

not communicate directly with customers.

64.

Chapter - Chapter 01 #65

Gradable: automatic

Learning Outcome: 1.2

Level: Medium

66. (p. 10)	Which issue concerns CIOs the most?			
	A. Security			
	B. Budgeting			
	C. Enhancing customer satisfaction and retaining customers			
	D. Marketing			
	Although the CIO is considered a position within IS, CIOs must be concerned with more than			
	just IS. In annual industry surveys by industry associations and firms such as Gartner, and			
	Forrester, CIOs have consistently ranked attracting and retaining customers and reducing			
	enterprise costs high in their top yearly priorities.			
	Chamter Chamter 04 #CC			
	Chapter - Chapter 01 #66  Gradable: automatic			
	Learning Outcome: 1.2			
	Level: Medium			
67.	Who is responsible for ensuring the throughput, transaction speed, accuracy, system			
(p. 10)	availability, and reliability of an organization's information technology?			
	A. CIO			
	B. CPO			
	C. CTO			

This is the definition of Chief Technology Officer (CTO).

D. CSO

68.	Who is responsible for ensuring the security of IT systems and developing strategies and IT		
(p. 10)	safeguards against attacks from hackers and viruses?		
	4. 010		
	A. CIO		
	B. CPO		
	C. CTO		
	<u>D.</u> CSO		
	This is the definition of Chief Security Officer.		
	This is the definition of other occurry officer.		
	Chapter - Chapter 01 #68  Gradable: automatic		
	Learning Outcome: 1.2		
	Level: Easy		
69.	Who is responsible for collecting, maintaining, and distributing an organization's knowledge?		
(p. 11)			
	A. CIO		
	B. CSO		
	C. CTO		
	<u>D.</u> CKO		
	The <i>chief knowledge officer (CKO)</i> is responsible for collecting, maintaining, and distributing		
	an organization's knowledge.		

70.	The Five Forces Model, the three generic strategies, and value chain analysis are all methods
(p. 14)	by which organizations can assess their
	A. Market share
	B. Information systems
	C. Profitability
	D. Competitive advantage
	<u>b.</u> competitive davantage
	Organizations use three common tools to analyze and develop competitive advantages: (1)
	Five Forces Model, (2) three generic strategies, and (3) value chain analysis.
	Chapter - Chapter 01 #76
	Gradable: automatic  Learning Outcome: 1.5
	Level: Medium
71.	It is the responsibility of the CIO to ensure effective communications between business and IT
(p. 9)	personnel.
	TRUE
	Bridging the gap between IT and business personnel is the CIOs responsibility.
	Chapter - Chapter 01 #71
	Gradable: automatic

Learning Outcome: 1.2

72. Managers need to understand that IS success is incredibly easy to measure.

(p. 9)

## **FALSE**

The first thing managers need to understand about IS success is that it is incredibly difficult to measure.

Chapter - Chapter 01 #72

Gradable: automatic

Learning Outcome: 1.3

Level: Easy

73. The Five Forces Model, the three generic strategies, and value chain analysis are all methods by which organizations can assess their competitive advantage.

## **TRUE**

Organizations use three common tools to analyze and develop competitive advantages: (1) Five Forces Model, (2) three generic strategies, and (3) value chain analysis.

Chapter - Chapter 01 #73
Gradable: automatic
Learning Outcome: 1.5
Level: Easy

74. The three generic strategies are broad competitive approaches that organizations fall under.

(p. 20)

# TRUE

The purpose of the three generic strategies are broad competitive approaches that organizations fall under.

75. Information systems are implemented to support a company's competitive business strategy.

(p. 20)

# **TRUE**

Information systems are implemented to support a company's competitive business strategy.

Chapter - Chapter 01 #75
Gradable: automatic
Learning Outcome: 1.5
Level: Easy

76. Information technology equals business success and innovation.

(p. 6)

#### **FALSE**

Information technology is an important enabler of business success and innovation; it does not equal business success and innovation.

Chapter - Chapter 01 #76

Gradable: automatic

Learning Outcome: 1.1

Level: Easy

- 77. Almost all organizations today have an internal IT department, often called Information
- (P. 6) Technology (IT), Information Systems (IS), or Management Information Systems (MIS).

## **TRUE**

IT Departments can be named IT, IS, or MIS.

Chapter - Chapter 01 #77

Gradable: automatic

Learning Outcome: 1.2

Level: Easy

- 78. The information which is actionable is referred to as knowledge.
- (p. 7)

# TRUE

Knowledge is "actionable information" which is used for decision making.

Chapter - Chapter 01 #78

Gradable: automatic

Learning Outcome: 1.2

Level: Easy

- 79. Three key resources-people, processes, and information systems, (in that order of priority)-are
- (p. 8) inextricably linked. If one fails, they all fail.

# **TRUE**

Three key resources-people, processes, and information systems, (in that order of priority)-are inextricably linked. If one fails, they all fail.

- 80. The four common information sharing cultures include information-functional culture,
- information-sharing culture, information-inquiring culture, and information-discovery culture.

#### **TRUE**

These are the four information cultures highlighted in the text.

Chapter - Chapter 01 #80 Gradable: automatic Learning Outcome: 1.2 Level: Easy

- 81. A competitive advantage is typically temporary, unless it is a first-mover advantage.
- (p. 13)

#### **FALSE**

All competitive advantages are typically temporary, especially first-mover advantages.

Chapter - Chapter 01 #81 Gradable: automatic Learning Outcome: 1.4

Level: Easy

82. Buyer power, supplier power, threat of new entrants, threat of products or services, and rivalry among existing competitors are all included in Porter's Five Forces Model.

## **FALSE**

Threat of products or services should be Threat of "substitute" products or services.

83. Switching costs are typically used to influence the threat of substitute products or services.

(p. 15)

# **TRUE**

Switching costs are used by organizations to influence the threat of substitute products or services.

Chapter - Chapter 01 #83 Gradable: automatic Learning Outcome: 1.4

Level: Easy

84. An entry barrier is typically used to influence the rivalry among existing competitors.

(p. 16)

## **FALSE**

Entry barriers are used by organizations to influence the threat of new entrants.

Chapter - Chapter 01 #84

Gradable: automatic

Learning Outcome: 1.4

Level: Easy

85. Kia is following a broad differentiation strategy.

(p. 17)

## **FALSE**

KIA is following a focused cost leadership strategy.

86. In telephone industry, the local number portability (LNP) feature decreases the threat of substitute products.

# **FALSE**

In telephone industry, the local number portability (LNP) feature increases the threat of substitute products.

Chapter - Chapter 01 #86
Gradable: automatic
Learning Outcome: 1.4

Level: Easy

87. Job titles, roles, and responsibilities do not differ from organization to organization.

(p. 9)

#### **FALSE**

IT is a relatively new functional area and job titles, roles, and responsibilities often differ dramatically from organization to organization.

Chapter - Chapter 01 #87

Gradable: automatic

Learning Outcome: 1.2

88.	is responsible for ensuring the ethical and legal use of information within an
(p. 11)	organization.
	Chief Privacy Officer (CPO)
	Chapter - Chapter 01 #8 Gradable: automati Learning Outcome: 1. Level: Eas
89. (p. 15)	The ability to use the same telephone number while switching the carrier company is called
	Local number portability (LNP).
	Chapter - Chapter 01 #8 Gradable: automati Learning Out∞me: 1. Level: Eas
90. (p. 7)	is "actionable information" which is used for decision making.  Knowledge
	Chapter - Chapter 01 #9 Gradable: automati Learning Outcome: 1. Level: Eas
91. (p. 20)	The three generic strategies are broad approaches that organizations fall under.
	Competitive

92.	information systems is the function that plans for, develops implements, and
(p. 6)	maintains IT hardware, software, and applications that people use to support the goals of an
	organization.
	Management
	Chapter - Chapter 01 #92
	Gradable: automatic
	Learning Outcome: 1.2
	Level: Easy
93.	Information technology is any computer-based tool that people use to work with
(p. 6)	and support the information and information processing needs of an organization.
	<u>Information</u>
	Chapter - Chapter 01 #93
	Gradable: automatic
	Learning Outcome: 1.2
	Level: Medium
94. (p. 7)	are raw facts that describe the characteristics of an event.
	<u>Data</u>
	Chapter - Chapter 01 #94  Gradable: automatic

95. (p. 7)	is data converted into a meaningful and useful context.
	Information
	Chapter - Chapter 01 #95 Gradable: automatic Learning Outcome: 1.2 Level: Easy
96.	Information culture allows employees across departments to search for
(p. 9)	information to better understand the future and align themselves with current trends and new directions.
	Inquiring
	Chapter - Chapter 01 #96 Gradable: automatic Learning Outcome: 1.2 Level: Easy
97. (p. 13)	A(n) advantage is a product or service that an organization's customers place a greater value on than similar offerings from a competitor.
	Competitive
	Chapter - Chapter 01 #97 Gradable: automatic Learning Outcome: 1.4 Level: Easy
98.	A first mover advantage occurs when an organization can significantly impact its market share
(p. 13)	by being the first to market with a advantage.
	Competitive

Gradable: automatic

Learning Outcome: 1.4

99.	Environmental scanning is the acquisition and analysis of events and trends in the
(p. 14)	environment to an organization.
	External
	Chapter - Chapter 01 #99
	Gradable: automatic
	Learning Outcome: 1.4
	Level: Medium
100.	The Five Forces Model helps to determine the relative attractiveness of a/an
(p. 14)	
	<u>Industry</u>
	Chapter - Chapter 01 #100
	Gradable: automatic
	Learning Outcome: 1.4
	Level: Medium
101.	Buyer power, supplier power, threat of substitute products or services, threat of new,
(p. 14)	and rivalry among existing competitors are all included in Porter's Five Forces Model.
	<u>Entrants</u>
	Chapter - Chapter 01 #101
	Shapter Chapter of Wife

102.	power in the Porter's Five Forces Model is high when buyers have tew
(p. 15)	choices of whom to buy from and low when their choices are many.
	<u>Supplier</u>
	Chapter - Chapter 01 #10.
	Gradable: automatic
	Learning Outcome: 1.
	Level: Eas
103.	power in the Porter's Five Forces Model is high when buyers have many
(p. 14)	choices of whom to buy from and low when their choices are few.
	<u>Buyer</u>
	Chapter - Chapter 01 #10.
	Gradable: automatic
	Learning Outcome: 1.
	Level: Eas
104.	programs reward customers based on the amount of business they do with a
(p. 14)	particular organization.
	Loyalty
	Chapter - Chapter 01 #10 Gradable: automati
	Learning Outcome: 1.
	Level: Eas
405	
105.	The travel industry is famous for its programs.
(p. 15)	
	Loyalty

106.	A(n) chain consists of all parties involved, directly or indirectly, in the procuremen
(p. 18)	of a product or raw material.
	<u>Supply</u>
	Chapter - Chapter 01 #10
	Gradable: automati
	Learning Outcome: 1.
	Level: Eas
107.	A(n) exchange is a business-to-business (B2B) marketplace in which a single
(p. 15)	buyer posts its needs and then opens the bidding to any supplier who would care to bid.
	<u>Private</u>
	Chapter - Chapter 01 #10
	Gradable: automati
	Learning Outcome: 1.  Level: Eas
108.	A reverse auction is an auction format in which increasingly lower bids are solicited from
(p. 15)	organizations willing to supply the desired product or service at an increasingly
	price.
	Lower
	Chapter - Chapter 01 #10

Chapter - Chapter 01 #108

Gradable: automatic

Learning Outcome: 1.4

Level: Medium

109.	costs are costs that can make customers reluctant to switch to another product
(p. 15)	or service.
	Switching
	Chapter - Chapter 01 #10s
	Gradable: automatic
	Learning Outcome: 1.4
	Level: Easy
110.	An entry is a product or service feature that customers have come to expect from
(p. 16)	organizations in a particular industry and must be offered by an entering organization to
	compete and survive.
	compete and carrive.
	Barrier
	<u>barror</u>
	Chapter - Chapter 01 #110
	Gradable: automatic
	Learning Outcome: 1.2
	Level: Easy
111.	Rivalry among existing competitors is when competition is fierce in a market.
(p. 16)	
	High
	<u>···<del>g</del>··</u>
	Chapter - Chapter 01 #11:
	Gradable: automatic
	Learning Outcome: 1.4
	Level: Easy
112.	Audi is following a broad strategy with its Quattro model which is available at
(p. 17)	several price points.
	Several price politics.
	<u>Differentiation</u>

113.	A(n) process is a standardized set of activities that accomplish a specific task,			
(p. 18)	such as processing a customer's order.			
	Business			
				Chapter - Chapter 01 #113
				Gradable: automatic
				Learning Outcome: 1.4
				Level: Easy
114.	Market and sell the p	oduct or service is considered a		value activity in the value
(p. 18)	chain.			
	<u>Primary</u>			
				Chapter - Chapter 01 #114
				Gradable: automatic
				Learning Outcome: 1.4 Level: Haro
115.	value ac	tivities in the value chain acquire	raw mate	rials and manufactures
(p. 18)	value activities in the value chain acquire raw materials and manufactures,			
( <i>p. 10)</i>	delivers, markets, sel	ls, and provides after-sales servi	ces.	
	<u>Primary</u>			

Chapter - Chapter 01 #115
Gradable: automatic
Learning Outcome: 1.4

116.	value activities include firm infrastructure, numan resource management,
(p. 182)	technology development, and procurement.
	Support
	Chapter - Chapter 01 #116
	Gradable: automatic
	Learning Outcome: 1.4
	Level: Easy
117.	is an executive-level position that involves high-level strategic planning and
(p. 11)	management of information systems pertaining to the creation, storage, and use of information
	by a business.
	Chief Information Officer (CIO)
	Chapter - Chapter 01 #117
	Gradable: automatic
	Learning Outcome: 1.2
	Level: Easy
118.	is responsible for ensuring the throughput, speed, accuracy, availability, and
(p. 11)	reliability of an organization's information technology.
	Chief Technology Officer (CTO)

Chapter - Chapter 01 #118

Gradable: automatic

Learning Outcome: 1.2

119. The, the three generic strategies, and value chain analysis are all method		
(p. 20)	which organizations can assess their competitive advantage.	
	Five Forces Model	
	Chapter - Chapter 01 #11.	
	Gradable; automati Learning Outcome: 1.	
	Level: Eas	
120.	The Five Forces Model, the, and value chain analysis are all methods by which	
(p. 20)	organizations can assess their competitive advantage.	
	Three Generic Strategies	
	Chapter - Chapter 01 #12	
	Gradable: automati Learning Outcome: 1.	
	Level: Eas	
121.	The Five Forces Model, the three generic strategies, and are all methods by which	
(p. 20)	organizations can assess their competitive advantage.	
	Value Chain Analysis	
	Chapter - Chapter 01 #12	
	Gradable: automatic	
	Learning Outcome: 1  Level: Eas	
122.	The Five Forces Model, the three generic strategies, and value chain analysis are all methods	
(p. 20)	by which organizations can assess their advantage.	
	Competitive	
	Oumpeume	

123.	The Five Forces Model, the three generic strategies, and value chain analysis are all methods
(p. 20)	by which organizations can assess their competitive
	<u>Advantage</u>
	Chapter - Chapter 01 #123
	Gradable: automatic
	Learning Outcome: 1.4  Level: Easy
124.	chain analysis is a highly useful tool in that it provides hard and fast numbers for
(p. 19)	evaluating the activities that add value to products and services.
	<u>Value</u>
	Chapter - Chapter 01 #124
	Gradable: automatic
	Learning Outcome: 1.4
125.	Value chain analysis is a highly useful tool in that it provides hard and fast numbers for
(p. 19)	evaluating the activities that add to products and services.
	<u>Value</u>

Chapter - Chapter 01 #125
Gradable: automatic
Learning Outcome: 1.4

126. (p. 11)	organization's knowledge.
	Chief
	Chapter - Chapter 01 #126 Gradable: automatic Learning Outcome: 1.2 Level: Easy
<b>127.</b> (p. 11)	The chief officer is responsible for collecting, maintaining, and distributing the organization's knowledge.
	Knowledge
	Chapter - Chapter 01 #127 Gradable: automatic Learning Outcome: 1.2 Level: Easy
128. (p. 11)	IS personnel must understand the if the organization is going to determine which technologies can benefit (or hurt) the business.
	business
	Chapter - Chapter 01 #128 Gradable: automatic Learning Outcome: 1.2 Level: Medium
129.	The Five Forces Model, the three generic strategies, and value chain analysis are all
(p. 14)	by which organizations can assess their competitive advantage.
	Methods

Level: Medium

130. Discuss what is meant by the term "business-driven information systems".

(p. 20)

Information systems are implemented to support a company's competitive business strategy. Organizations do not utilize information systems for the sake of information systems themselves. Rather, there must be a solid business reason for implementing an information system that improves an organization's competitive position. That is, business strategies concerning a company's competitive advantage should drive information systems choices.

Chapter - Chapter 01 #130

Gradable: manua

Learning Outcome: 1.5

Level: Medium

131. Compare management information systems (MIS) and information technology (IS).

(p. 6)

MIS is not IS. MIS is a business function. IS is a computer-based tool. Most organizations have an IT Department that is responsible for performing the MIS function. This is similar to an organization having an Accounting Department that is responsible for performing the accounts payable and accounts receivable functions.

Chapter - Chapter 01 #131

Gradable: manual

Learning Outcome: 1.2

132. Explain the relationship among people, processes, information systems, and information.

(p. 8)

IT in and of itself is not useful unless the right people know how to use and manage it efficiently and effectively. *People* use *processes* to work with *information systems* to produce information. Therefore, people, processes, and information systems (in that order of priority) are inextricable linked. If one fails, they all fail.

Chapter - Chapter 01 #132 Gradable: manual Learning Outcome: 1.2

133. Identify four different departments in a typical business and explain how technology helps (p. 5-6) them to work together.

Accounting provides quantitative information about the finances of the business including recording, measuring, and describing financial information. Finance deals with the strategic financial issues associated with increasing the value of the business, while observing applicable laws and social responsibilities. Human resources includes the policies, plans, and procedures for the effective management of employees (human resources). Sales is the function of selling a good or service and focuses on increasing customer sales, which increases company revenues. Marketing is the process associated with promoting the sale of goods or services. The marketing department supports the sales department by creating promotions that help sell the company's products. Operations management (also called production management) includes the methods, tasks, and techniques organizations use to produce goods and services. Transportation (also called logistics) is part of operations management. Management information systems (MIS) is the function that plans for, develops, implements, and maintains IT hardware, software, and the portfolio of applications that people use to support the goals of an organization. Functional areas are anything but independent in a business. In fact, functional areas are interdependent. Sales must rely on information from operations to understand inventory, place orders, calculate transportation costs, and gain insight into product availability based on production schedules. For an organization to succeed, every department or functional area must work together sharing common information and not be a "silo." Information technology can enable departments to more efficiently and effectively perform their business operations.

134. Distinguish between Information Systems and Information Technology.

(p. 6)

Information systems (IS) are computer-based tools that people use to work with information

and that support the information and information-processing needs of an organization. An

information system can be an important enabler of business success and innovation.

Information technology (IT), on the other hand, is the acquisition, processing, storage, and

dissemination of vocal, pictorial, textual, and numerical information by a microelectronics-

based combination of computing and telecommunications.

Chapter - Chapter 01 #134

Gradable: manual

Learning Outcome: 1.5

Level: Medium

135. Do you agree or disagree with Friedman's assessment that the world is flat? Be sure to justify

(p. 23) your answer.

There is no correct answer to this question; the important point is that your students can justify

their point of view. Some students will agree with Friedman that technology has made the

world flat. Others, will disagree with Friedman stating that there are still many people that do

not have access to technology and for them the world is still round.

Chapter - Chapter 01 #135

Gradable: manual

Learning Outcome: 1.2

136. Explain why competitive advantages are typically temporary.

(p. 13)

Competitive advantages are typically temporary because competitors often seek ways to duplicate the competitive advantage. In turn, organizations must develop a strategy based on a new competitive advantage.

Chapter - Chapter 01 #136

Gradable: manual

Learning Outcome: 1.4

Level: Easy

137. Explain how Frito Lay uses environmental scanning.

(p. 14)

Frito lay sends its sales representatives into grocery stores to stock shelves with hand-held computers that record the product offerings, inventory, and even product locations of competitors.

Chapter - Chapter 01 #137

Gradable: manual

Learning Outcome: 1.4

138. Describe and compare buyer power and supplier power in Porter's Five Forces Model. Also,

(p. 14-15) explain how an organization can manipulate buyer power and supplier power.

Buyer power is high when buyers have many choices of whom to buy from and low when their

choices are few. To reduce buyer power (and create a competitive advantage) an organization

must make it more attractive for customers to buy from them than from their competition. One

of the best IT-based examples is the loyalty programs that many organizations offer. Supplier

power is high when buyers have few choices of whom to buy from and low when their choices

are many. Supplier power is the converse of buyer (customer) power. A supplier organization

in a market will want buyer (customer) power to be low. The supplier wants to be able to set

any price it wants for its goods, and if buyers (customers) have low power then they do not

have any choice but to pay the high price since there is only one or two suppliers.

Chapter - Chapter 01 #138

Gradable: manual

Learning Outcome: 1.4

Level: Haro

139. List and describe Porter's three generic strategies and provide an example of a company that (p. 16) is using each strategy.

Organizations typically follow one of Porter's three generic strategies when entering a new market.

- (1) Broad cost leadership,
- (2) broad differentiation,
- (3) focused strategy. Broad strategies reach a large market segment. Focused strategies target a niche market. Focused strategies concentrate on either cost leadership or differentiation. Company examples will vary.

Chapter - Chapter 01 #139
Gradable: manual
Learning Outcome: 1.4

140. Explain value chains and the differences between primary and support value activities.

(p. 17-18)

Value chain approach views an organization as a chain, or series, or processes, each of which adds value to the product or service for each customer. To create a competitive advantage, the value chain must enable the organization to provide unique value to its customers. Examining the organization as a value chain determines which activities add value for customers. The organization can then focus specifically on those activities. Primary value activities acquire raw materials and manufactures, delivers, markets, sells, and provides aftersales services. Support value activities support the primary value activities. Customers determine the extent to which each activity adds value to the product or service. The competitive advantage is to (1) Target high value-adding activities to enhance their value, (2) Target low value-adding activities to increase their value, (3) Perform some combination of the two.

Chapter - Chapter 01 #140
Gradable: manual
Learning Outcome: 1.4

Level: Haro

141. Distinguish among data, information, and knowledge.

(p. 7)

Data are raw facts that describe the characteristics of an object or event. For example, the

characteristics for a sales event could include the date, item number, item description, quantity

ordered, customer name, and shipping details.

**Information** is data converted into a meaningful and useful context. For example, information

from sales events could include best-selling item, worst-selling item, best customer, and worst

customer.

Information becomes **knowledge** when information can be acted upon. In this sense,

knowledge is "actionable information".

Chapter - Chapter 01 #141

Gradable: manual

Learning Outcome: 1.5

Level: Medium

142. What is the competitive advantage? What are the common tools that organizations use for

(p. 13-14) developing the competitive advantage?

A competitive advantage is a product or service that an organization's customers place a

greater value on than similar offerings from a competitor.

Organizations use three common tools to analyze and develop competitive advantages:

(1) Five Forces Model, (2) three generic strategies, and (3) value chain analysis.

Chapter - Chapter 01 #142

Gradable: manual

Learning Outcome: 1.4

143. What is a business process? Describe upon how organizations evaluate the effectiveness of (p. 18) their business processes.

A business process is a standardized set of activities that accomplish a specific task, such as processing a customer's order. To evaluate the effectiveness of its business processes, an organization can use Michael Porter's value chain approach. An organization creates value by performing a series of activities that Porter identified as the value chain. The value chain approach views an organization as a series of processes, each of which adds value to the product or service for each customer. To create a competitive advantage, the value chain must enable the organization to provide unique value to its customers. In addition to the firm's own value-creating activities, the firm operates in a value system of vertical activities, including those of upstream suppliers and downstream channel members. To achieve a competitive advantage, the firm must perform one or more value-creating activities in a way that creates more overall value than its competitors. Added value is created through lower costs or superior benefits to the consumer (differentiation). Organizations can add value by offering lower prices or by competing in a distinctive way. Examining the organization as a value chain (actually numerous distinct but inseparable value chains) leads to identifying the important activities that add value for customers and then finding IS systems that support those activities.

Chapter - Chapter 01 #143

Gradable: manual

Learning Outcome: 1.2

144. Compare and contrast the five forces model, the three generic strategies, and the value chain analysis. And comment upon how information systems drive the business.

The Five Forces Model, the three generic strategies, and value chain analysis are all methods by which organizations can assess their competitive advantage. The Five Forces Model is a framework that helps companies evaluate the relative attractiveness of entering or operating within an industry. It is a framework that can be used to assess the attractiveness of the industry in which a firm competes. The three generic strategies are broad competitive approaches that organizations fall under. Knowing which broad competitive approach an organization is following can help that organization make informed decisions about how the company should compete with other firms. Value chain analysis is a systematic approach organizations can use to assess and improve the value of their business activities. Knowing the value of each business activity can help an organization decide how to change or improve those activities to help it become more competitive. These three methods, in their own unique ways, give organizations insight into how they can behave more competitively. Armed with this knowledge, organizations can then think about how information systems can be used to facilitate and support this behavior.

An information system can be designed to increase a company's supplier power with its customers, or reduce the threat of substitute products or services, or decrease the threat of new entrants to the market-space. Likewise, an information system can be implemented to help a company function more effectively and efficiently within a certain generic strategy. Similarly, information systems can be developed to enhance the performance of poorperforming value activities or strengthen important value chains. This is what is meant by the term *business-driven information systems*. Information systems are implemented to support a company's competitive business strategy. Organizations do not use information systems for the sake of the systems themselves—they must have a solid business reason for implementing an information system so it improves an organization's competitive position. In other words, it is the business strategies concerning a company's competitive advantage that

should drive information systems choices.

Chapter - Chapter 01 #144

Gradable: manual

Learning Outcome: 1.2

Level: Easy

145. List and describe the five common IT-related strategic positions.

(p. 9)

Chief Information Officer (CIO) oversees all uses of IT and ensures the strategic alignment of IT with business goals and objectives. Chief Technology Officer (CTO) is responsible for ensuring the throughput, speed, accuracy, availability, and reliability of IT. Chief Security Officer (CSO) is responsible for ensuring the security of IT system. Chief Privacy Officer (CPO) is responsible for ensuring the ethical and legal use of information. Chief Knowledge Office (CKO) is responsible for collecting, maintaining, and distributing the organization's knowledge.

Chapter - Chapter 01 #145

Gradable: manua

Learning Outcome: 1.2

146. Describe the gap between business personnel and IT personnel and what an organization can (p. 12-13) do to close this gap.

Business personnel possess expertise in functional areas such as marketing, accounting, and sales. IT personnel have the technological expertise. This causes a communications gap between the two. IT personnel have their own vocabularies consisting of acronyms and technical terms. Business personnel have their own vocabularies based on their experience and expertise. For both sides to have effective communications, the business personnel must seek to achieve an increased level of understanding of IT, and the IT personnel must seek to achieve an increased level of understanding of the business.

Chapter - Chapter 01 #146

Gradable: manua

Learning Outcome: 1.2

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# c1 Summary

<u>Category</u>	# of Questions
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Learning Outcome: 1.2	48
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