

Exam

Name _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) Operational decisions concern 1) _____
- A) the allocation and utilization of resources.
 - B) broader-scope, organizational issues.
 - C) the control of resources and activities over a time period of less than one month.
 - D) an understood and accepted method for making decisions.
 - E) day-to-day activities.

Answer: E

- 2) In an automated activity the computer hardware receives its instructions from (the) 2) _____
- A) software.
 - B) version control program.
 - C) people.
 - D) Web services.
 - E) network protocols.

Answer: A

- 3) The stage in a decision making process where decision makers lay out various alternatives is called 3) _____
- A) intelligence gathering.
 - B) the review step.
 - C) decision analysis.
 - D) alternatives formulation.
 - E) the choice step.

Answer: D

- 4) Relevant information refers to information that is 4) _____
- A) useful to both the context and the subject at hand.
 - B) good for the purpose for which it is generated.
 - C) produced in time for its intended use.
 - D) worth the value paid to generate it.
 - E) correct and complete.

Answer: A

- 5) A business process is a network of information, resources, facilities and 5) _____
- A) activities.
 - B) knowledge.
 - C) data.
 - D) hardware.
 - E) systems.

Answer: A

6) Just barely sufficient information refers to information that is

6) _____

- A) good for the purpose for which it is generated.
- B) correct and complete.
- C) not useful to the decision being made.
- D) produced in time for its intended use.
- E) useful to both the context and the subject at hand.

Answer: A

7) The HELM system improves efficiency by eliminating

7) _____

- A) multiple data entries for each job.
- B) multiple dispatcher log sheets.
- C) computers aboard tugboats.
- D) the large number of people involved in completing a job.
- E) accurate paper work.

Answer: A

8) Which is the following is most useful to a company?

8) _____

- A) Knowledge
- B) Data
- C) Observations
- D) Information
- E) Decisions

Answer: A

9) For General Motors, the quantity of tire rims received would be an example of

9) _____

- A) data.
- B) information.
- C) resource.
- D) communication.
- E) knowledge.

Answer: A

10) Which systems are typically used during the alternatives formulation step?

10) _____

- A) Collaborative systems
- B) Statistics packages
- C) Digital imaging systems
- D) Word processors
- E) Presentation software

Answer: A

11) Managerial decisions concern

11) _____

- A) the allocation and utilization of resources.
- B) an understood and accepted method for making decisions.
- C) the control of resources and activities.
- D) day-to-day activities.
- E) broader-scope, organizational issues.

Answer: A

- 12) The average wage for a factory worker is an example of (a) 12) _____
A) information.
B) decision.
C) strategy.
D) data.
E) knowledge.

Answer: E

- 13) In an information system, the software and _____ components are both sets of instructions. 13) _____
A) software B) procedure C) people D) data E) hardware

Answer: B

- 14) An activity can be defined as 14) _____
A) the carrying out of a business procedure.
B) an action that supports a business strategy.
C) transforming resources and information of one type into resources and information of another type.
D) action performed by an actor.
E) a series of steps in a business process.

Answer: C

- 15) The truck that delivers the orders to the receiving and stocking activity would be viewed in the 15) _____
inventory management process as a(n)
A) facility.
B) information output.
C) activity.
D) resource.
E) data input

Answer: A

- 16) Which systems are typically used to analysis data and information during the choice step? 16) _____
A) Financial modeling tools
B) Presentation software
C) Databases
D) Digital imagining packages
E) Word processing packages

Answer: A

- 17) In the acronym SMART refers to the characteristics of good information. In SMART the "M" refers 17) _____
to
A) information that is worth its cost.
B) accurate information.
C) timely information.
D) information that is just barely sufficient.
E) relevant information.

Answer: A

18) A Transaction Processing System supports

18) _____

- A) managerial decisions.
- B) transactional decisions.
- C) operational decisions.
- D) executive decisions.
- E) strategic decisions.

Answer: C

19) The review step

19) _____

- A) is when the organization reviews the intelligence gathering.
- B) never leads to another decision.
- C) is when the organization reviews the information to find the relevant information.
- D) is when the organization makes a decision
- E) is when the organization reviews the decision steps.

Answer: A

20) Which of the following is a strategic decision?

20) _____

- A) Determining next year's IT budget
- B) Should we extend credit to a customer
- C) Which invoices should be paid today
- D) Should our firm acquire a competing firm
- E) What wage should we pay a particular employee

Answer: D

21) The step in a decision making process where decision makers determine what is to be decided, what the criteria for the decision will be, and what data are available is called

21) _____

- A) alternatives formulation.
- B) the choice step.
- C) decision analysis.
- D) the review step.
- E) intelligence gathering.

Answer: E

22) Which of the following is an operational decision?

22) _____

- A) Determining next year's IT budget
- B) What are our production goals for the next three months
- C) Should we extend credit to a customer
- D) Which invoices should be paid today
- E) Should our firm acquire a competing firm

Answer: D

23) In the inventory management process, quality inspection would be viewed as a(n)

23) _____

- A) resource.
- B) activity.
- C) data input.
- D) facility.
- E) information output.

Answer: B

- 24) _____ is (are) instructions for hardware and _____ is (are) instructions for people. 24) _____
A) Machine instructions, user manuals
B) Software, procedures
C) Data, processes
D) Procedures, software
E) Software, processes
Answer: B
- 25) Recorded facts or figures is (are) 25) _____
A) context.
B) knowledge.
C) processed information.
D) information.
E) data.
Answer: E
- 26) The on-time performance of all your vendors for a specific item would be an example of 26) _____
A) resource.
B) knowledge.
C) data.
D) communication.
E) information.
Answer: E
- 27) _____ would be one of the factors that lead to designing fully automated systems. 27) _____
A) High skill employee positions
B) Tasks that require significant employee data inputs
C) High turnover employee positions
D) Low turnover employee positions
E) Tasks that require significant human judgement
Answer: C
- 28) Because they have input into the inventory management process, both suppliers and customers are 28) _____
viewed as
A) facilities.
B) data inputs
C) resources.
D) information outputs.
E) activities.
Answer: C
- 29) Which of the following are characteristics of good information? 29) _____
A) Timely
B) Just barely sufficient
C) Worth its cost
D) Relevant
E) All of the above
Answer: E

- 30) An Executive Information System supports 30) _____
A) strategic decisions.
B) executive decisions.
C) structured decisions.
D) managerial decisions.
E) operational decisions.
Answer: A
- 31) Strategic decision concern 31) _____
A) the allocation and utilization of resources.
B) transactions details.
C) day-to-day activities.
D) broader-scope, organizational issues.
E) an understood and accepted method for making decisions.
Answer: D
- 32) Items of value are referred to as 32) _____
A) facilities.
B) equipment.
C) money.
D) valuables.
E) resources.
Answer: E
- 33) Business processes generate information by combining key data in a specific 33) _____
A) context.
B) relevance.
C) procedure.
D) process.
E) activity.
Answer: A
- 34) Data presented in a meaning context is 34) _____
A) knowledge.
B) processed data.
C) processed information.
D) processed knowledge.
E) information.
Answer: E
- 35) Business Process Modeling deals with 35) _____
A) inventory ordering strategies.
B) the by product information about how the process can be improved.
C) the cheapest or fastest suppliers.
D) pilferage and theft losses.
E) strategy decisions.
Answer: B

- 36) The stage in a decision making process which a decision maker analyze the alternatives and selected one is called 36) _____
A) decision step.
B) intelligence gathering.
C) the choice step.
D) alternatives formulation.
E) the review step.
Answer: C
- 37) The review step 37) _____
A) is when the organization reviews the results of the decision and may lead to another decision.
B) is when the organization reviews the results of the decision.
C) is when the organization makes a decision.
D) may lead to another decision.
E) is when the organization makes a decision and may lead to another decision.
Answer: A
- 38) "Worth its cost" refers to 38) _____
A) information that is useful to both the context and the subject at hand.
B) information has an appropriate relationship between its cost and its value.
C) information that is produced in time for its intended use.
D) information that is collected in a low cost manner.
E) information that is good for the purpose for which it is generated.
Answer: B
- 39) A Management Information System supports 39) _____
A) strategic decisions.
B) unstructured decisions.
C) executive decisions.
D) managerial decisions.
E) operational decisions.
Answer: D
- 40) An activity can be _____ or _____ depending on how the procedures are executed. 40) _____
A) manual, automated
B) digitized, automated
C) digitized, manual
D) automated, integrated
E) integrated, manual
Answer: A
- 41) An unstructured decision making process 41) _____
A) is one for which there is no agreed-on decision-making method.
B) is one for which there are no structured steps.
C) is one for which there is no documentation required.
D) is one for which there are no formal procedures.
E) is one for which there is an agreed upon decision-making method.
Answer: A

- 42) The statement that Jeff Parks earns less than half the average hourly wage of the Garden Department is 42) _____
A) information.
B) knowledge.
C) data.
D) decision.
E) strategy.
Answer: A
- 43) Which of the following is a managerial decision? 43) _____
A) Should our firm acquire a competing firm
B) Determining next year's IT budget
C) Determining how many daily transactions have occurred in a specified period
D) Which invoices should be paid today
E) Should we extend credit to a customer
Answer: B
- 44) Inventories, databases, factories, and equipment are all examples of 44) _____
A) information.
B) resources.
C) transactions.
D) activities.
E) facilities.
Answer: E
- 45) A business process is 45) _____
A) a set of activities in a supply chain.
B) a set of required steps in a production process.
C) a network of activities used to accomplish business goals.
D) a network of activities, resources, facilities, and information that interact to achieve some business function.
E) a set of actives in a value chain.
Answer: D
- 46) Which of the following is a structured decision? 46) _____
A) Predicting the Super Bowl winner
B) Weather forecasting
C) Fortune telling
D) Stock marketing forecasting
E) Performance appraisals
Answer: B
- 47) An understood and accepted method for making decisions is used to make 47) _____
A) managerial decisions.
B) operational decisions.
C) strategic decisions.
D) executive decisions.
E) structured decisions.
Answer: E

48) Knowledge derived from data is (are) 48) _____
A) context.
B) wisdom.
C) data.
D) information.
E) knowledge.

Answer: D

49) Customer numbers and their names would be an example of the _____ component of an order management information system. 49) _____
A) software B) procedure C) hardware D) data E) people

Answer: D

50) Business systems are sometimes referred to as business 50) _____
A) processes. B) models. C) channels. D) networks. E) webs.

Answer: A

51) Which of the following is arguably the most important component of an Information System? 51) _____
A) Software
B) Information
C) People
D) Processes
E) Hardware

Answer: C

52) In an information system the people and _____ components are considered to be actors since they can take specific actions. 52) _____
A) software B) procedure C) data D) people E) hardware

Answer: E

53) Which of the following is an unstructured decision? 53) _____
A) Airline pricing
B) Allocating furniture and equipment to employees
C) Determining the future book value of assets
D) Weather forecasting
E) Stock marketing forecasting

Answer: E

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

54) Business Processing Notation provides _____ graphical elements that can be used to document a process. 54) _____

Answer: four

55) _____ decisions concern the allocation and utilization of resources. 55) _____

Answer: Managerial

56) Information should be _____ to both the context and the subject. 56) _____

Answer: relevant

- 57) The way in which you start up a program such as a spreadsheet program is called a(n) _____. 57) _____
Answer: procedure
- 58) _____ lists the items ordered and the quantity requested of each item. 58) _____
Answer: A purchase order
- 59) From a business process viewpoint, a warehouse that stores inventory would be a(n) _____. 59) _____
Answer: facility
- 60) For information to be _____, there must be an appropriate relationship between the cost of information and its value. 60) _____
Answer: worth its cost
- 61) An employee's name and number would be an example of _____. 61) _____
Answer: data
- 62) Human resources personnel say that _____ is one of the most effective ways of finding a job. 62) _____
Answer: networking
- 63) _____ are raw, unprocessed facts such as inventory levels. 63) _____
Answer: Data
- 64) _____ is the process of moving human work to the computer side of the information system. 64) _____
Answer: Automation
- 65) Software and procedure components are both sets of _____. 65) _____
Answer: instructions
- 66) The fact that oil costs \$74.25 a barrel is an example of _____. 66) _____
Answer: data
- 67) _____ information is produced in time for its intended use. 67) _____
Answer: Timely
- 68) From a business process view, order placement in a inventory management process would be a(n) _____. 68) _____
Answer: activity
- 69) A network of activities, resources, facilities, and information that interact to achieve some business function is a(n) _____. 69) _____
Answer: business process
- 70) _____ is the bridge between the human and computer components of an information system. 70) _____
Answer: Data

- 71) Instructions for how a computer should perform specific tasks are called _____. 71) _____
Answer: software
- 72) Good information is based on _____ and correct data. 72) _____
Answer: complete
- 73) A customer acts as a(n) _____ in the inventory management process. 73) _____
Answer: resource
- 74) The _____ process works to balance the demands from customers with the inventory purchased from suppliers. 74) _____
Answer: inventory management
- 75) Data becomes information when it has a(n) _____. 75) _____
Answer: context
- 76) When stock in inventory hits a critical point, it is called the _____ point. 76) _____
Answer: reorder
- 77) An example of a(n) _____ payment activity is seen when an accounts payable clerk receives and checks the accuracy of invoices against the purchase orders before issuing a payment. 77) _____
Answer: manual
- 78) The average compensation for sales agents in a company would be an example of _____. 78) _____
Answer: information
- 79) Invoice information is transformed into payment information during the payment _____. 79) _____
Answer: activity
- 80) The most common definition of information is that it is derived from data, where data is defined as _____. 80) _____
Answer: recorded facts.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 81) You should always ask yourself how can I use my time in school to enhance those skills I already have. 81) _____
Answer: ☒ True False
- 82) A structured decision involves an understood and accepted method for making the decision. 82) _____
Answer: ☒ True False
- 83) A business process consists of activities, resources, facilities, and information. 83) _____
Answer: ☒ True False

- 84) Your mind and your thinking are not merely a component of the information systems you use; they are the most important component. 84) _____
Answer: ☒ True ☐ False
- 85) The fact that it rained 1.2 inches today is an example of information. 85) _____
Answer: ☐ True ☒ False
- 86) Information needs to be just barely sufficient for the purpose for which it is generated. 86) _____
Answer: ☒ True ☐ False
- 87) Any item of value can be considered to be a potential resource for a business process. 87) _____
Answer: ☒ True ☐ False
- 88) The review step may lead to another decision and another iteration of the decision making process. 88) _____
Answer: ☒ True ☐ False
- 89) An inventory database would be considered to be an example of a facility in the inventory management process. 89) _____
Answer: ☒ True ☐ False
- 90) In the payment process, the invoice is compared to the purchase requisition. 90) _____
Answer: ☐ True ☒ False
- 91) A transaction processing system helps managers allocate and utilize resources. 91) _____
Answer: ☐ True ☒ False
- 92) Data is another word for information. 92) _____
Answer: ☐ True ☒ False
- 93) The quality of your thinking is a large part of the quality of the information system. 93) _____
Answer: ☒ True ☐ False
- 94) An executive information system supports strategic decision making. 94) _____
Answer: ☒ True ☐ False
- 95) The inventory management process includes placing orders and receiving goods into inventory. 95) _____
Answer: ☒ True ☐ False
- 96) The information that is the output of one process can be viewed as a data input to another process. 96) _____
Answer: ☒ True ☐ False
- 97) A copy of the purchase order is sent to the customer. 97) _____
Answer: ☐ True ☒ False
- 98) When data is presented with a meaningful context, it becomes information. 98) _____
Answer: ☒ True ☐ False

- 99) For information to be worth its cost, there must be an appropriate relationship between the cost of information and its value. 99) _____
Answer: ☒ True ☐ False
- 100) Each activity within a business process must use one, and only one, information system. 100) _____
Answer: ☐ True ☒ False
- 101) During intelligence gathering, the decision makers determine what is to be decided, what the criteria for the decision will be, and what data are available. 101) _____
Answer: ☒ True ☐ False
- 102) Business processes are synonymous with business systems. 102) _____
Answer: ☒ True ☐ False
- 103) While weather is an unstructured phenomenon, weather forecasting is an example of structured decision making. 103) _____
Answer: ☒ True ☐ False
- 104) Activities transform resources and data into different kinds of resources and data. 104) _____
Answer: ☐ True ☒ False
- 105) It is good business practice for a payment activity to have a single person assigned to approve payments and generate checks. 105) _____
Answer: ☐ True ☒ False
- 106) The fact that the sun rose this morning at 6:25 a.m. is an example of data. 106) _____
Answer: ☒ True ☐ False

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 107) Provide an example of a strategic decision.
Answer: Strategic decisions concern broader-scope, organizational issues. Typical decisions at the strategic levels are: Should we start a new product line? Should we open a centralized warehouse in Calgary?
- 108) What does a transaction processing system support?
Answer: A transaction processing system supports operational decisions.
- 109) Provide an example of a operational decision.
Answer: Operational decisions concern day-to-day activities. Typical operational decisions are: How many widgets should we order from vendor A? Should we extend credit to vendor B? Which invoices should we pay today?
- 110) What does an executive information system support?
Answer: Information systems that support strategic decision making are called executive information system.
- 111) Provide an example of a structured decision.
Answer: A structured decision is one for which there is an understood and accepted method for making the decision. A formula for computing the reorder quantity of an item in inventory is an example of a structured decision process.

112) Describe the types of systems used during the choice step.

Answer: During the choice step, analysis applications such as spreadsheets and financial and other modelling applications help decision makers to analyze alternatives.

113) Describe the types of systems used during the implementation step.

Answer: The implementation stage involves the use of communications applications, and all types of information systems can be used during review.

114) What are the components of a business process? Give examples of each.

Answer: The components of a business process include activities, resources, facilities, and information. Activities transform resources and information from one type into another. This happens when a clerk checks a customer credit rating before entering in a sales order for that customer. Resources are items of interest to the process. They interact with the process but are not under direct control of the organization. These could be customers and vendors. Facilities include databases, inventories, factories and equipment. Information is what activities use to determine how to transform the inputs they receive into outputs they produce.

115) What is data and how is it different from information?

Answer: Data are simply the raw recorded facts and figures. Data is one of the five basic components of an information system. The system turns data into information by classifying, summarizing, sorting it and giving it a meaningful context.

116) Describe the types of systems used during the intelligence gathering step.

Answer: During intelligence gathering, email and video conferences facilitate communication among the decision makers. Also, during the first phase, decision makers use query and reporting systems as well as other types of data analysis applications to obtain relevant data.

117) Provide an example of an unstructured decision.

Answer: An unstructured decision process is one for which there is no agreed-on decision-making method. Predicting the future direction for the economy or the stock market is a famous example.

118) Provide an example of a managerial decision.

Answer: Any decisions that involves the allocation and utilization of resources. Typical managerial decisions are: How much should we budget for computer hardware and programs for department A next year? How many engineers should we assign to project B?

119) What is meant by a business process? Give an example.

Answer: A business process is defined as being a network of activities, resources, facilities, and information that interact to achieve some business function. Sometimes they are also referred to as business systems. The text describes an example of the inventory management process which starts with Purchasing activities and ends with the Payment activity. Other common processes might include the sales order management process and the employee recruiting process.