

Chapter 1

Introduction to Business Processes

Multiple Choice Questions

1. Which term refers to business processes that are not executed by a single group or function?
 - a. Silo Effect
 - b. Cross-Functional
 - c. Functional Structure
 - d. Enterprise Systems
 - e. Organizational Structure

Answer: b

Difficulty: Easy

Page Reference: 1

Section: The Functional Organizational Structure

Practice:

2. Which term refers to a system in which workers complete their tasks in separate departments without regard to the consequences for the other components of the process?
 - a. ERP Effect
 - b. Cross-Functional
 - c. Functional Structure
 - d. Enterprise Systems
 - e. Silo Effect

Answer: e

Difficulty: Easy

Page Reference: 2

Section: The Functional Organizational Structure: The Silo Effect

Practice:

3. Which system supports business processes end to end?
 - a. Management System
 - b. Accounting System
 - c. Enterprise System
 - d. Functional Structure
 - e. Document System

Answer: c

Difficulty: Medium

Page Reference: 2

Section: The Functional Organizational Structure: The Silo Effect

Practice: Yes

4. Which of the following statements about business processes is true?

- a. They are executed across multiple functions.
- b. They are initiated by some type of trigger.
- c. They involve multiple steps.
- d. All of the above
- e. None of the above

Answer: d **Difficulty:** Medium **Page Reference:** 4
Section: Business Processes

5. Which term represents a set of tasks or activities that produce desired outcomes?

- a. Business Process
- b. Trigger
- c. Outcome
- d. Enterprise Resource Planning
- e. None of the above

Answer: a **Difficulty:** Easy **Page Reference:** 4
Section: Business Processes **Practice:**

6. Which term refers to all of the activities involved in buying or acquiring the materials used by the organization, such as raw materials needed to make products?

- a. Material Planning
- b. Procurement Process
- c. Production Process
- d. Fulfillment Process
- e. Lifecycle Data Management

Answer: b **Difficulty:** Medium **Page Reference:** 5
Section: Business Processes **Practice:** Yes

7. Which process involves the actual creation of the products?

- a. Material Planning
- b. Procurement Process
- c. Production Process
- d. Fulfillment Process
- e. Lifecycle Data Management

Answer: c **Difficulty:** Medium **Page Reference:** 5
Section: Business Processes **Practice:**

8. Which process uses historical data and sales forecasts to plan which materials will be procured and produced?

- a. Material Planning
- b. Procurement Process
- c. Production Process
- d. Fulfillment Process
- e. Lifecycle Data Management

Answer: a

Difficulty: Medium

Page Reference: 5

Section: Business Processes

Practice: Yes

9. Which process supports the design and development of products from the initial product idea stage through the discontinuation of the product?

- a. Material Planning
- b. Procurement Process
- c. Production Process
- d. Fulfillment Process
- e. Lifecycle Data Management

Answer: e

Difficulty: Medium

Page Reference: 5

Section: Business Processes

Practice:

10. Which process tracks the financial impact of process steps with the goal of meeting legal reporting requirements?

- a. Human Capital Management (HCM)
- b. Project Management
- c. Financial Accounting
- d. Management Accounting or Controlling (CO)
- e. None of the above

Answer: c

Difficulty: Medium

Page Reference: 6

Section: Business Processes

Practice:

11. Which process is used to plan and execute large projects such as the construction of a new factory or the production of complex products such as airplanes?

- a. Human Capital Management (HCM)
- b. Project Management
- c. Financial Accounting
- d. Management Accounting or Controlling (CO)
- e. None of the above

Answer: b

Difficulty: Medium

Page Reference: 6

Section: Business Processes

Practice:

12. Which process focuses on people within an organization and includes functions such as recruiting, hiring, training, and benefits management?
- Human Capital Management (HCM)
 - Project Management
 - Financial Accounting
 - Management Accounting or Controlling (CO)
 - None of the above

Answer: a **Difficulty:** Difficult **Page Reference:** 6
Section: Business Processes **Practice:**

13. What is the final step of the procurement process?
- Invoice
 - Purchase Requisition
 - Purchase Order
 - Payment
 - None of the above

Answer: d **Difficulty:** Easy **Page Reference:** 6
Section: Business Processes: Procurement-Buy **Practice:**

14. What steps are involved in the accounting portion of the procurement process?
- Receiving the materials and the invoice
 - Creating the purchase requisition and sending payment
 - Creating and sending the purchase order
 - Creating the purchase requisition and receiving the materials
 - Receiving the invoice and sending payment

Answer: e **Difficulty:** Difficult **Page Reference:** 7
Section: Business Processes: Procurement-Buy **Practice:** Yes

15. What is the first step of the production process?
- Authorize Production
 - Request Production
 - Create Product
 - Receive Finished Goods
 - Issue Raw Materials

Answer: b **Difficulty:** Easy **Page Reference:** 7
Section: Business Processes: Procurement-Make **Practice:** Yes

16. What function does the warehouse perform in the fulfillment process?
- a. Prepares and sends the shipment to the customer
 - b. Communicates data related to the order to other parts of the organization
 - c. Tracks the order
 - d. Notifies the customer
 - e. None of the above

Answer: a

Difficulty: Easy

Page Reference: 8

Section: Business Processes: Procurement-Make

Practice: Yes

17. _____ is concerned with matching the demand for materials in the organization with the supply.
- a. Business Planning
 - b. The Silo Effect
 - c. Project Management
 - d. Material Planning
 - e. None of the above

Answer: d

Difficulty: Medium

Page Reference: 8

Section: Business Processes: Material Planning-Plan

Practice:

18. Which of the following is concerned with the storage and movement of materials?
- a. Business Planning
 - b. Silo Effect
 - c. Project Management
 - d. Material Planning
 - e. Inventory and warehouse management (IWM)

Answer: e

Difficulty: Medium

Page Reference: 9

Section: Business Processes: Inventory and Warehouse Management-Store

Practice:

19. _____ enables an organization to optimize its product development process, from design to market, while ensuring that it complies with industry, quality, and regulatory standards?
- a. Business Planning
 - b. Lifecycle Data Management
 - c. Project Management
 - d. Material Planning
 - e. None of the above

Answer: b

Difficulty: Medium

Page Reference: 10

Section: Business Processes: Lifecycle Data Management-Design

Practice:

20. _____ provides tools to manage and store documents securely and to keep track of the multiple versions of these documents?
- a. Document Management
 - b. Enterprise Management
 - c. Project Management
 - d. Material Planning
 - e. None of the above

Answer: a

Difficulty: Medium

Page Reference: 10

Section: Business Processes: Lifecycle Data Management-Design

Practice:

21. How does GBI Global sell its merchandise?
- a. Directly to customers
 - b. Via a network of specialized dealers
 - c. Via the Internet
 - d. All of the above
 - e. None of the above

Answer: b

Difficulty: Medium

Page Reference: 13

Section: Global Bicycle Incorporated (GBI)

Practice: Yes

22. Which of the following statements about SAP R/3 is true?
- a. It supports a single function or department
 - b. It is an end-to-end enterprise system
 - c. Sharing data between departments is problematic
 - d. None of the above

Answer: b

Difficulty: Medium

Page Reference: 15

Section: How to use this book: SAP Software and Certification

Practice: Yes