

***Processes, Systems, and Information (Kroenke/McKinney)***

**Chapter 2 Business Processes, Information Systems, and Information**

1) A business process is a sequence of activities for accomplishing a function.

Answer: TRUE

Page Ref: 28

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

2) All repositories are databases.

Answer: FALSE

Page Ref: 30

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

3) Most businesses choose not to standardize business processes in order to avoid inconsistencies in results.

Answer: FALSE

Page Ref: 30

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

4) Standardized business processes reduce risks.

Answer: TRUE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

5) A system is a group of components that interact to achieve some purpose.

Answer: TRUE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

6) Data acts as a bridge between the machine side and the human side of an information system.

Answer: TRUE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

7) An information system is defined as the IT products that are used to produce information.

Answer: FALSE

Page Ref: 31

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

8) An information system consists of three components - hardware, software, and data.

Answer: FALSE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

9) Hardware and people represent the actor roles in information systems.

Answer: TRUE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

10) The people in the information system framework include only the users of a system and not those who operate and service the computers.

Answer: FALSE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

11) The five components of information systems are common to all information systems, from the smallest to the largest.

Answer: TRUE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

12) The printer connected to a PC is an example of software.

Answer: FALSE

Page Ref: 31

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

13) A company's security protocol for logging into systems would be an example of the procedure component of an information system.

Answer: TRUE

Page Ref: 31

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

Course LO: Describe the components of an information system (IS)

14) Both programs and procedures are instructions.

Answer: TRUE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

15) According to the five-component framework, programs tell humans what to do, and procedures tell the machines what to do.

Answer: FALSE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

16) Hardware and software are the only costs of a new information system.

Answer: FALSE

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

17) When you use a computer to write a class report, the paragraphs of the report are considered to be an example of the data component of an information system.

Answer: TRUE

Page Ref: 31

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

18) All information systems include a computer.

Answer: FALSE

Page Ref: 32

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

19) A business process need not use information systems.

Answer: TRUE

Page Ref: 35

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

20) The scope of business processes and information systems that support them overlap, but they are different.

Answer: TRUE

Page Ref: 35

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

21) A statement that the average daily wage of all the construction workers in Nevada is \$250 is an example of information.

Answer: TRUE

Page Ref: 35

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

22) The average temperature in New York during a particular month of the year is an example of information.

Answer: TRUE

Page Ref: 35

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

23) The minimum temperature on a particular day in New York is an example of information.

Answer: FALSE

Page Ref: 35

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

24) Information and data are the same.

Answer: FALSE

Page Ref: 35

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

25) Information is knowledge derived from recorded facts and figures.

Answer: TRUE

Page Ref: 35

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

26) Processed information is data.

Answer: FALSE

Page Ref: 36

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

27) Data is information presented in a meaningful context.

Answer: FALSE

Page Ref: 36

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

28) Good information is based on data that is accurate, timely, and easy to use.

Answer: TRUE

Page Ref: 38

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

29) Data must be accurate in order to improve the quality of information.

Answer: TRUE

Page Ref: 38

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

30) Data that is too coarse cannot be subdivided into its constituents.

Answer: TRUE

Page Ref: 39

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

31) Data that is too fine-grained is too highly summarized.

Answer: FALSE

Page Ref: 39

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

32) Data which is easy to use results in better comprehension and thus produces better quality information.

Answer: TRUE

Page Ref: 39

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

33) Data that is too coarse is highly detailed.

Answer: FALSE

Page Ref: 39

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

34) Two people can perceive the same data but conceive different information from it.

Answer: TRUE

Page Ref: 40

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

35) Data is subjective.

Answer: FALSE

Page Ref: 40

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

36) As information is conceived personally, everyone always disagrees about everything.

Answer: FALSE

Page Ref: 40

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

37) Information is internal, subjective, and can be different for all users.

Answer: TRUE

Page Ref: 40

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

38) Dynamic processes are formally defined processes.

Answer: FALSE

Page Ref: 41

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

39) Information systems are supportive rather than prescriptive in structured processes.

Answer: FALSE

Page Ref: 41

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

40) Control is critical in structured processes.

Answer: TRUE

Page Ref: 41

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

41) Innovation is not expected in structured processes, whereas innovation is required in dynamic processes.

Answer: TRUE

Page Ref: 41

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes



42) Effectiveness is an important characteristic of both structured and dynamic processes.

Answer: TRUE

Page Ref: 41

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

43) Using social networking sites to generate buzz about next season's product line is an example of a structured process.

Answer: FALSE

Page Ref: 41

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

44) Changes to dynamic processes are slow, made with deliberation, and are difficult to implement.

Answer: FALSE

Page Ref: 41

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

45) Dynamic processes are unstructured.

Answer: FALSE

Page Ref: 44

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

46) Human intuition plays a big role in a dynamic process.

Answer: TRUE

Page Ref: 44

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

47) Effectiveness means accomplishing a process with minimum resources.

Answer: FALSE

Page Ref: 44

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

48) The actors in a dynamic process collaborate and give each other feedback.

Answer: TRUE

Page Ref: 44

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

49) The efficient use of resources does not matter in dynamic processes, as they change so fast that over time, it is not possible to measure their efficiency.

Answer: FALSE

Page Ref: 44

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

50) Business intelligence systems enable teams to gather intelligence needed to support decisions within a dynamic process.

Answer: TRUE

Page Ref: 44

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

51) A(n) \_\_\_\_\_ is a sequence of activities for accomplishing a function.

A) task

B) information system

C) business process

D) repository

Answer: C

Page Ref: 28

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

52) Recording final grades is a(n) \_\_\_\_\_, whereas filling out the grade reporting form is a(n) \_\_\_\_\_.

- A) business process; activity
- B) activity; business process
- C) activity; task
- D) task; business process

Answer: A

Page Ref: 28

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

53) What do rectangles with rounded corners in the BPMN model denote?

- A) decisions
- B) repositories
- C) activities
- D) data flow

Answer: C

Page Ref: 29

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

54) Decisions in the BPMN model are represented by \_\_\_\_\_.

- A) diamonds
- B) rectangles
- C) rectangles with rounded corners
- D) circles

Answer: A

Page Ref: 29

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

55) A solid arrow in the BPMN model represents the \_\_\_\_\_.

- A) beginning and end of the business process
- B) flow of data
- C) flow of action
- D) swimlanes

Answer: C

Page Ref: 29

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

56) A dotted arrow in the BPMN model represents the \_\_\_\_\_.

- A) flow of the data that is named on the arrow
- B) flow of action
- C) swimlanes
- D) beginning and end of the business process

Answer: A

Page Ref: 29

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

57) In the BPMN model, a circle with a darkened border represents \_\_\_\_\_.

- A) decisions
- B) the start of the business process
- C) the end of the business process
- D) activities

Answer: C

Page Ref: 29

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

58) In the BPMN model, the notation of a plus sign enclosed in a small box signifies the \_\_\_\_\_.

- A) flow of the data that is named on an arrow
- B) details of the activity that are documented elsewhere
- C) action flow that is named on an arrow
- D) beginning and end of the business process

Answer: B

Page Ref: 29

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

59) Standardized business processes \_\_\_\_\_.

- A) lack scalability
- B) enable the business to enforce policies
- C) produce inconsistent results
- D) increase risks

Answer: B

Page Ref: 30

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

60) A(n) \_\_\_\_\_ consists of hardware, software, data, procedures, and people that interact together to produce information.

- A) function
- B) end-user
- C) repository
- D) information system

Answer: D

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Describe the components of an information system (IS)

61) Which of the following is an actor in the five-component framework of an information system?

- A) software
- B) procedures
- C) data
- D) hardware

Answer: D

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

62) \_\_\_\_\_ function(s) as a bridge between the human side and the machine side of the information system framework.

- A) Data
- B) Hardware
- C) Procedures
- D) People

Answer: A

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

63) A company's \_\_\_\_\_ serve(s) as instructions for users to use and access data.

- A) activities
- B) hardware
- C) procedures
- D) repositories

Answer: C

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

64) \_\_\_\_\_ function(s) as instructions for hardware in an information system.

- A) Software
- B) Activities
- C) Procedures
- D) Data

Answer: A

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

65) WordPerfect, a word-processing program, is an example of a \_\_\_\_\_.

- A) data set
- B) procedure
- C) software
- D) DBMS

Answer: C

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

66) You have written a five-paragraph essay on "Crisis Management" using Microsoft Word. In this case, each paragraph of the report is an example of \_\_\_\_\_, while Microsoft Word is an example of \_\_\_\_\_.

- A) software; hardware
- B) an activity; an actor
- C) data; software
- D) a structured process; a dynamic process

Answer: C

Page Ref: 31

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

67) A storage disk is an example of which of the following components of an information system?

- A) procedures
- B) data
- C) software
- D) hardware

Answer: D

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

68) Which of the following is an example of software?

- A) a Blu-ray Disc
- B) a Pentium 4 processor
- C) a Mac operating system
- D) an Xbox 360 controller

Answer: C

Page Ref: 31

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

69) Which of the following is an example of the procedure component of an information system?

- A) a company's network security protocol for logging in
- B) a file containing the names of a company's clients
- C) a file containing information about a company's history
- D) the software and hardware used by a company

Answer: A

Page Ref: 31

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)



70) Customers' names, numbers, and addresses are an example of the \_\_\_\_\_ component of an information system.

- A) process
- B) data
- C) software
- D) hardware

Answer: B

Page Ref: 31

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

71) In an office, a(n) \_\_\_\_\_ is an information system.

- A) air-conditioner
- B) projector
- C) telephone
- D) conference room schedule

Answer: D

Page Ref: 32

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

72) What is the primary difference between data and information?

- A) Information is processed to get data.
- B) Data is processed to get information.
- C) Data, unlike information, is related to hardware.
- D) Information, unlike data, is a component of an information system.

Answer: B

Page Ref: 35

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

73) \_\_\_\_\_ is knowledge derived from recorded facts and figures.

- A) Data
- B) Information
- C) Value
- D) Cognition

Answer: B

Page Ref: 35

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

74) A movie ticket at a theatre in L.A. costs \$40. This is an example of \_\_\_\_\_.

- A) data
- B) information
- C) software
- D) an activity

Answer: A

Page Ref: 35

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

75) Which of the following refers to recorded facts and figures?

- A) data
- B) information
- C) procedures
- D) policies

Answer: A

Page Ref: 35

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

76) The average price of a movie ticket in the U.S. is \$8. This is an example of \_\_\_\_\_.

- A) data
- B) information
- C) metadata
- D) value

Answer: B

Page Ref: 35

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

77) Which of the following is a human factor that influences information quality?

- A) data accuracy
- B) ease of use
- C) timeliness
- D) knowledge

Answer: D

Page Ref: 38

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

78) The U.S. Census Bureau conducts a census to check the population of first-generation immigrants living in the U.S. It conducts the census twice and arrives at different results (first census - 45 million; second census - 47 million). Hence, the data acquired from the research will affect the quality of information because it \_\_\_\_\_.

- A) is too fine-grained
- B) is too coarse-grained
- C) lacks timeliness
- D) is inaccurate

Answer: D

Page Ref: 38

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

79) A company's information system discovers a customer's poor credit history only after certain goods have been shipped to him. The information produced, as a result, was not useful because the data was \_\_\_\_\_.

- A) inaccurate
- B) too fine-grained
- C) too coarse-grained
- D) ill-timed

Answer: D

Page Ref: 38

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

80) A file that contains records of millions of clicks on a Web page is \_\_\_\_\_ for an analysis of revenue generated by different page designs.

- A) easy to use
- B) too fine-grained
- C) too coarse-grained
- D) ill-timed

Answer: B

Page Ref: 39

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

81) A file of national sales data is \_\_\_\_\_ for an analysis of the relative performance of city sales regions.

- A) easy to use
- B) too fine-grained
- C) too coarse-grained
- D) ill-timed

Answer: C

Page Ref: 39

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

82) Which of the following is a feature of a structured process?

- A) It is an informal process.
- B) It requires information systems that are supportive.
- C) It is easy to change or modify.
- D) It is controlled, rather than adaptive.

Answer: D

Page Ref: 41

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

83) Which of the following is a feature of a dynamic process?

- A) It is a formally defined process.
- B) It is difficult to change or modify.
- C) It requires information systems that are prescriptive.
- D) It depends more on effectiveness than efficiency.

Answer: D

Page Ref: 41

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

84) Day-to-day operations, such as placing an order, are considered \_\_\_\_\_ processes.

- A) structured
- B) kinetic
- C) dynamic
- D) unstructured

Answer: A

Page Ref: 41

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

85) Which of the following is an example of a dynamic process?

- A) accepting a return
- B) placing an order
- C) computing a sales commission
- D) deciding the location for a new store

Answer: D

Page Ref: 41

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

86) \_\_\_\_\_ is not expected in structured processes, nor is it generally appreciated or rewarded, unlike in the case of dynamic processes.

- A) Efficiency
- B) Effectiveness
- C) Innovation
- D) Control

Answer: C

Page Ref: 41

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

87) \_\_\_\_\_ means accomplishing a certain process with minimum resources.

- A) Efficiency
- B) Effectiveness
- C) Innovation
- D) Resourcefulness

Answer: A

Page Ref: 41

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

88) \_\_\_\_\_ is a critical part of structured processes.

- A) Adaptation
- B) Innovation
- C) Human intuition
- D) Control

Answer: D

Page Ref: 41

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

89) Tom Ford, the celebrated fashion designer, has used social networking sites like Facebook and Twitter to generate buzz about his upcoming fashion line. This is an example of a \_\_\_\_\_ process.

- A) reactive
- B) formal
- C) dynamic
- D) critical

Answer: C

Page Ref: 41

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

90) Why are dynamic processes evaluated on effectiveness more than efficiency?

- A) because they are difficult to change
- B) because the efficient use of resources does not matter in the case of such processes
- C) because they are highly controlled and standardized
- D) because they change so fast that it is not possible to measure efficiency over time

Answer: D

Page Ref: 44

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

91) Which of the following is true regarding dynamic processes?

- A) These processes consist of fixed steps taken in a specific control flow every time.
- B) These processes are, by definition, unstructured.
- C) The BPMN diagrams for these processes are highly specialized and variable.
- D) These processes rely, to a large extent, on human intuition.

Answer: D

Page Ref: 44

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

92) What is a business process? Explain with the help of examples.

Answer: A business process is a sequence of activities for accomplishing a function. For example, your university has business processes to:

- Add a class to the business curriculum
- Add a new section to a class schedule
- Assign a class section to a classroom
- Drop a class section
- Record final grades

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

93) What is an activity? Explain with the help of examples.

Answer: An activity is a task within a business process. Examples of activities that are part of the process of recording final grades are:

- Compute final grades
- Fill out grade reporting form
- Submit the grade recording form to the departmental administrator

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

94) Why do organizations standardize business processes?

Answer: Other than very small businesses, most businesses choose to standardize business processes. For one, standard processes enable the business to enforce policies. Standardized business processes also produce consistent results and are scalable. Finally, standardized business processes reduce risk. When every employee follows the same process, the opportunities for error and serious mistakes are greatly reduced.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes



95) Define systems and information systems.

Answer: A system is a group of components that interact to achieve some purpose. Like a system, an information system (IS) is a group of components that interact to produce information. The five-component framework is a model of the components of an information system: computer hardware, software, data, procedures, and people.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

96) Explain the five-component framework of an information system with the help of an example.

Answer: The five-component framework is a model of the components of an information system: computer hardware, software, data, procedures, and people. For example, when you use a computer to write a class report, you are using hardware (the computer, storage disk, keyboard, and monitor), software (Word, WordPerfect, or some other word-processing program), data (the words, sentences, and paragraphs in your report), procedures (the methods you use to start the program, enter your report, print it, and save and back up your file), and people (you).

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

97) Discuss the symmetry of the five-component framework.

Answer: The five-component framework is a model of the components of an information system: computer hardware, software, data, procedures, and people. Hardware and people are actors; they do things. Programs and procedures are instructions. Programs tell the hardware what to do, and procedures tell the humans what to do. Data is the bridge between the machine side (hardware and software) and the human side (procedures and people).

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

98) Explain why a variety of skills are required to develop an information system.

Answer: An information system consists of hardware, software, data, procedures, and people. This means that many different skills are required besides those of hardware technicians or computer programmers when building or using an information system. People are needed who can design the databases that hold the data and who can develop procedures for people to follow. Managers are needed to train and staff the personnel for using and operating the system.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

99) Why is the term "data" not interchangeable with the term "information"?

Answer: Although the terms "data" and "information" are often used interchangeably, they are not the same. Information is knowledge derived from data, whereas data is defined as recorded facts or figures. Thus, the facts that employee James Smith earns \$17.50 per hour and that Mary Jones earns \$25.00 per hour are data. The statement that the average hourly wage of all the equipment clerks is \$22.37 per hour is information. Average wage is knowledge that is derived from the data of individual wages.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

100) Explain the data factors that drive information quality?

Answer: First, data must be accurate. It must be a correct and complete measure of whatever it is supposed to measure. Second, data must be timely. When you participate in the development of an information system, timeliness will be part of the requirements that you specify. You need to give appropriate and realistic timeliness needs. Third, data must be of the appropriate granularity. Data that is too fine-grained has too many details; data that is too coarse is too highly summarized. Finally, data needs to be easy to use.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

101) Why must data be timely in order to make information useful? Explain with an example.

Answer: A monthly report that arrives 6 weeks late is most likely useless. The data arrives long after the decisions have been made that needed related information. An information system that tells you about poor credit of a customer to which you have already shipped goods is unhelpful and frustrating.

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

102) What is the importance of having data of the appropriate granularity? Explain with the help of examples.

Answer: Data must be of the appropriate granularity because data that is too fine-grained has too many details and data that is too coarse is too highly summarized. A file that contains records of millions of clicks on a Web page is too fine-grained for an analysis of revenue generated by different page designs. A file of national sales data is too coarse-grained for an analysis of the relative performance of city sales regions. Ideally, data is detailed enough to serve the purpose at hand, but just barely so. It is possible to group data that is too fine into appropriate granularity; however, data that is too coarse cannot be subdivided into its constituents.

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

103) Explain the human factors that drive information quality.

Answer: The quality of the information produced is at least as much determined by characteristics of the human involved than it is by the data utilized.

The first factor of importance when conceiving information is knowledge. Decades of psychological research indicate that what humans know greatly influences what they perceive. So, the data that you pay attention to is determined, in part, by your knowledge. Additionally, once you have perceived a difference, your knowledge will help you determine which differences make a difference to the problem at hand. So, what you know about a domain will determine the quality of the information you conceive. A second human factor that affects information quality is the criteria used to interpret the data.

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

104) How do groups conceive information?

Answer: As information is conceived personally, it might be that everyone always disagrees about everything. It is, however, unlikely because we all share the same mental apparatus. So, given that we share the same mental apparatus, perceive the same data, and use the same criteria, we will tend to conceive information in the same way. Often, however, the more interesting case occurs when we do not conceive information in the same way. If everyone is engaged in the process and communicating honestly, then that can only occur when people perceive the data differently (someone notices something that others have not) or when people are using different criteria. The latter case may occur because they have found a criterion that others have not found or that they stress on one criterion more than others do.

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

105) Explain the two broad categories of processes with relevant examples.

Answer: Structured processes are formally defined, standardized processes. Most structured processes support day-to-day operations: accepting a return, placing an order, computing a sales commission, and so forth. Dynamic processes are less specific, more adaptive, and even intuitive. Using Twitter to generate buzz about next season's product line is an example of a dynamic process. Deciding whether to open a new store location or how best to solve a problem of excessive returns are other examples of dynamic processes.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

106) List the characteristics of structured processes.

Answer: The characteristics of structured processes are:

- They are formally defined processes.
- Process change is slow and difficult.
- Control is critical.
- Efficiency and effectiveness are important.
- IS are prescriptive.
- Innovation is not expected.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

107) What are the differences between structured processes and dynamic processes?

Answer: Structured processes are formally defined processes, whereas dynamic processes are informal processes. Unlike in the case of dynamic processes, changes to structured processes are slow, made with deliberation, and are difficult to implement. Control is critical in structured processes, whereas adaptation is critical in dynamic processes. Both efficiency and effectiveness are important in structured processes, whereas effectiveness is more important in dynamic processes. Information systems are prescriptive in structured processes, whereas they are supportive in dynamic processes. Innovation is not expected in structured processes, whereas, innovation is required in dynamic processes.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

108) List the characteristics of dynamic processes.

Answer: The characteristics of dynamic processes are:

- They are informal processes.
- Process change is rapid and expected.
- Adaptation is critical.
- Effectiveness is important.
- IS are supportive.
- Innovation is required.

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes

109) Why is the distinction between structured and dynamic processes considered important?

Answer: The distinction between structured and dynamic processes is considered important for various reasons. For one, the behavior you choose as a business professional depends on the type of process in which you are involved. Innovation will be expected in dynamic processes, but discouraged in structured processes. Rigid structure will be appreciated in critical manufacturing processes, but disdained in collaboration.

For information systems, this distinction is important in the nature and character of the system. When SAP is used to support structured processes, it will restrict your behavior and readily (and successfully) frustrate any attempts at innovation. In contrast, SharePoint is an open book. Put anything in it you want; control that content in whatever you think is appropriate.

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AACSB: Use of information technology

Chapter LO: 6

Course LO: Discuss the role of information systems in supporting business processes