

## 02

*Student:* \_\_\_\_\_

1. One of the most important and challenging question confronting managers today is how to lay the foundation for tomorrow's success while competing to win in today's business environment.  
True False
2. The structure of a typical organization is similar to a pyramid, with different levels that require one consistent type of information to assist with all managerial decision making.  
True False
3. Operational decisions or semistructured decisions arise in situations where established processes offer potential solutions.  
True False
4. Unstructured decisions occur in situations in which no procedures or rules exist to guide decision makers toward the correct choice.  
True False
5. At the strategic decision-making level, employees develop, control, and maintain core business activities.  
True False
6. The construction of a new city subway station and the processing of monthly payroll are both considered types of projects as defined in your text.  
True False
7. Key performance indicators can focus on external and internal measurements.  
True False
8. The proportion of the market that a firm captures is called market share.  
True False
9. Benchmarks are baseline values the system seeks to attain.  
True False
10. Effectiveness MIS metrics include throughput, transaction speed, and system availability.  
True False
11. Measuring the amount of website traffic is the best way to determine a website's success.  
True False
12. MIS support systems rely on models for computational and analytical routines that mathematically express relationships among variables.  
True False
13. Streamlining information encompasses all of the information contained within a single business process or unit of work, and its primary purpose is to support the performing of daily operational or structured decisions.  
True False
14. Sensitivity analysis, what-if analysis, optimization analysis, and market basket analysis are the common DSS analysis techniques.  
True False
15. Digital dashboards offer consolidation, drill-down, and slice-and-dice capabilities.  
True False

16. Managers use transactional information when making structured decisions at the operational level.  
True False
17. The manipulation of information to create business intelligence in support of strategic decision making is referred to as OLTP, or online transaction processing.  
True False
18. Intelligent systems are various commercial applications of artificial intelligence.  
True False
19. A neural network is a category of efficiency metrics where it attempts to measure the way the human brain works.  
True False
20. Investment companies use genetic effectiveness metrics to help in trading decisions.  
True False
21. A shopping bot is one of the simplest examples of an intelligent agent.  
True False
22. At Microsoft's headquarters, to eliminate congestion and save on other business expenses, the company offered employees the option to work virtually from home.  
True False
23. Business-facing processes, or back-office processes, are invisible to the external customer but essential to the effective management and operation of the business.  
True False
24. When evaluating the five steps in the order-to-delivery business process, step one includes creating a campaign and checking inventory, which are both part of the sales function.  
True False
25. Strategic planning is a customer-facing business process.  
True False
26. Product delivery is a customer-facing business process.  
True False
27. Improving the efficiency and effectiveness of its business processes will improve a firm's value chain.  
True False
28. A business management system is a graphic description of a process, showing the sequence of process tasks, which is developed for a specific purpose and from a selected viewpoint.  
True False
29. To-Be process models show the results of applying change improvement opportunities to the current (As-Is) process model.  
True False
30. The primary goal of an As-Is process model is to simplify, eliminate, and improve the To-Be processes.  
True False
31. Business processes should never drive MIS choices and should be based on business strategies and goals.  
True False
32. Redundancy occurs when a task or activity is never repeated.  
True False

33. Business process reengineering is the analysis and redesign of workflow within and between enterprises.  
True False
34. Business process management systems evaluate and improve processes that include both person-to-person workflow and system-to-system communications.  
True False
35. BPM systems include advanced features such as enhanced process modeling, simulation, execution, and monitoring, providing a high level of flexibility while reducing costs.  
True False
36. Which of the following is not a type of organizational information system?  
A. Executive information system  
B. Decisions support system  
C. Analysis processing system  
D. Transactional processing system
37. Which of the following is an important challenge facing managers today?  
A. Making business decision  
B. Solving business problems  
C. Competing to win in today's market  
D. All of these
38. What must managers be able to do to compete in today's global marketplace?  
A. Make decisions to gain competitive advantages  
B. Make decision that can help forecast future business needs  
C. Make decision that can help forecast future business requirements  
D. All of these
39. Which of the following is not considered a challenge facing most managers today?  
A. Managerial decisions must be made quickly.  
B. Strategic decisions need to be made by applying analysis techniques.  
C. Artificial intelligence is required by all managers to be successful.  
D. Managerial decisions require large amounts of information to analyze.
40. Which of the following is not included in the decision-making process?  
A. Data collection  
B. Solution benchmarking  
C. Solution generation  
D. Solution test
41. When evaluating the six-step decision making process, what occurs during the solution implementation step?  
A. The process will begin again if the decisions made were incorrect.  
B. The problem is defined as clearly and precisely as possible.  
C. The details are presented of every solution possible, including ideas that seem far-fetched.  
D. The solution that best solves the problem is selected.
42. When evaluating the six-step decision making process, what occurs during the problem identification step?  
A. The process will begin again if the decisions made were incorrect.  
B. The problem is defined as clearly and precisely as possible.  
C. The details are presented of every solution possible, including ideas that seem far-fetched.  
D. The solution that best solves the problem is selected.

43. When evaluating the six-step decision making process, what occurs during the solution selection step?
- A. The process will begin again if the decisions made were incorrect.
  - B. The problem is defined as clearly and precisely as possible.
  - C. The details are presented of every solution possible, including ideas that seem far-fetched.
  - D. The solution that best solves the problem is selected.
44. When evaluating the six-step decision making process, what occurs during the solution test step?
- A. The process will begin again if the decisions made were incorrect.
  - B. The problem is defined as clearly and precisely as possible.
  - C. The details are presented of every solution possible, including ideas that seem far-fetched.
  - D. None of these
45. Which of the following represents the structure of a typical organization?
- A. Flat line
  - B. Pyramid
  - C. Circle
  - D. Cube
46. Which of the following represents the three different levels of a company pyramid from the top to the bottom?
- A. Managerial—strategic—operational
  - B. Strategic—managerial—operational
  - C. Operational—managerial—strategic
  - D. Strategic—operational—managerial
47. Which of the following would you include as decisions and responsibilities typically found at the managerial level of a company?
- A. Monthly plans
  - B. Monthly budgets
  - C. Weekly schedule
  - D. All of these
48. Which of the following would you include as decisions and responsibilities typically found at the operational level of a company?
- A. Develop core business activities required to run the day-to-day operations
  - B. Control core business activities required to run the day-to-day operations
  - C. Maintain core business activities required to run the day-to-day operations
  - D. All of these
49. Data collection, solution generation, and solution implementation are all concepts associated with the \_\_\_\_\_.
- A. The six-step problem-solving process
  - B. The six-step decision-making process
  - C. The four-step problem-solving process
  - D. The four-step decision-making process
50. Review the following key terms. Which one defines an operational decision that involves situations where established processes offer potential solutions?
- A. Optimization analysis decision
  - B. Artificial intelligence decision
  - C. Structured decision
  - D. Unstructured decision
51. Review the following statements. Which one does not represent an example of a structured decision?
- A. Reordering inventory
  - B. Deciding to enter a new market
  - C. Creating the employee weekly staffing schedule
  - D. Creating the employee weekly production schedule

52. Which of the following is not considered a part of decision making at the managerial level?
- A. Developing overall business goals and objectives
  - B. Creating a short-term budget
  - C. Allocating resources to a department
  - D. Monitoring performance of a project team
53. Which of the following key terms represents the types of decisions made at the operational, managerial, and strategic levels of a company?
- A. Structured decisions
  - B. Unstructured decisions
  - C. Semistructured decisions
  - D. All of these
54. The level where managers develop overall business strategies and monitor the performance of the organization and the competitive business environment is the \_\_\_\_\_ level.
- A. Operational
  - B. Strategic
  - C. Managerial
  - D. Communications
55. Jenny Welch works at a retail store selling sports equipment. Her daily tasks include opening the store, creating the work schedules, processing payroll, overseeing sales and inventory, and training employees. At what level of the organizational pyramid would you categorize Jenny?
- A. Managerial
  - B. Operational
  - C. Strategic
  - D. Owner
56. Andy Benton works at the local Starbucks coffee shop, and his responsibilities include taking orders, fulfilling orders, and ringing in sales. At what level of the organizational pyramid would you categorize Andy?
- A. Strategic
  - B. Owner
  - C. Operational
  - D. Managerial
57. Bill Schultz works at a high-power investment firm in Los Angeles. Bill is responsible for promoting the firm's vision and creating the companywide goals and strategies. He also monitors the overall strategic performance of the company and its direction for future business strategies. At what level of the organizational pyramid would you categorize Bill?
- A. Strategic
  - B. Owner
  - C. Operational
  - D. Managerial
58. Chuck Norris has been hired to oversee all of the plans that the city of Denver has created to expand its train transportation system by adding six more lines to the metro area. Chuck will be responsible for planning the project, managing the processes, and finalizing each new line as it is completed. How would you categorize the majority of the decisions Chuck will have to make to complete his job?
- A. Unstructured decisions
  - B. Semistructured decisions
  - C. Structured decisions
  - D. Strategic decisions

59. CSFs and KPIs are two core metrics used to evaluate results and measure the progress of a project for a business. Which of the following represents the acronyms for CSF and KPI?
- A. Continual success factors and key performance indicators
  - B. Critical success factors and key project ideas
  - C. Customer success findings and key project ideas
  - D. Critical success factors and key performance indicators
60. What are measurements that evaluate results to determine whether a project is meeting its goals?
- A. Models
  - B. Metrics
  - C. Benchmarks
  - D. Genetic algorithms
61. What are the crucial steps companies perform to achieve their goals and objectives and implement their strategies?
- A. Critical success factors
  - B. Crucial success factors
  - C. Key performance indicators
  - D. Key performance factors
62. Which of the following is an example of a critical success factor?
- A. Increase customer satisfaction
  - B. Number of new customers
  - C. Number of new products
  - D. Percentage of employee turnover
63. Which of the following statements is accurate?
- A. Key performance indicators can have no more than four critical success factors.
  - B. Critical success factors can have no more than four key performance indicators.
  - C. Key performance indicators can have several critical success factors.
  - D. Critical success factors can have several key performance indicators.
64. Key performance indicators are the metrics a company uses to evaluate progress toward critical success factors. Which of the following represents a key performance indicator?
- A. Creation of high-quality products
  - B. Reduction of product costs
  - C. Percentage of help desk calls answered in the first minute
  - D. Hiring the best business professionals
65. CSFs and KPIs are the two core metrics used within a business to track progress or success. What is the relationship between CSFs and KPIs?
- A. CSFs are business strategy elements, where KPIs measure the progress of the CSFs.
  - B. CSFs build the business environment, where KPIs explain how to build the CSFs.
  - C. KPIs are used first, where CSFs are applied after.
  - D. KPIs promote employees on their performance, where CSFs demote employees based on their performance level.
66. Market share measures a firm's external performance relative to that of its competitors. Which of the following represents how a firm measures market share?
- A. Multiplying the firm's sales by the industries total sales
  - B. Dividing the firm's sales by the total market sales for the entire industry
  - C. Subtracting your competitors sales from your total sales
  - D. Subtracting the industries total sales from the firm's total sales

67. Anne-Marie Cole runs the sales division for a local auto insurance firm. One of her key duties is to calculate her company's market share. When evaluating the prior year numbers, she found that her firm achieved total sales of \$3 million and the entire industry had \$30 million in sales. What is Anne-Marie's current market share?
- A. 1%
  - B. 10%
  - C. 18%
  - D. 20%
68. Anne-Marie Cole runs the sales division for a local auto insurance firm. One of her key duties is to ensure the company has 10 percent market share by the end of the year. When evaluating the current sales numbers she determines that her sales division has total sales of \$3 million and the entire industry has total sales of \$50 million. What additional sales must Anne-Marie's division meet to ensure they have 10 percent of the market by the end of the year?
- A. \$1 million
  - B. \$2 million
  - C. \$5 million
  - D. \$10 million
69. What type of measurement is using market share as a KPI?
- A. Fuzzy logic measurement
  - B. External measurement
  - C. Neural network measurement
  - D. Internal measurement
70. Which of the following represents an internal KPI that indicates the earning power of a project?
- A. Market share
  - B. Return on intelligent
  - C. Sensitivity analysis
  - D. Return on investment
71. Todd Haitz is the marketing manager for the National Basketball Association. Todd analyzes and tracks his marketing campaigns to determine the best success rate per project for increasing ticket sales. Todd uses an internal KPI to track his marketing campaign success. Which of the following would be an internal KPI Todd would use to track his marketing campaigns?
- A. Marketing campaign ROI
  - B. Marketing campaign percentage of fans purchasing *Sports Illustrated* magazine
  - C. Marketing campaign advertiser revenue sales
  - D. Marketing campaign market share
72. What could a manager use to measure the success of an MIS project?
- A. Effectiveness MIS metrics, efficiency MIS metrics
  - B. Effectiveness MIS metrics, expert MIS metrics
  - C. Expert MIS metrics, executive MIS metrics
  - D. All of these
73. What type of metrics measure throughput, transaction speed, and system availability?
- A. Efficiency MIS metrics
  - B. Effectiveness MIS metrics
  - C. ROI
  - D. Benchmarks
74. What types of metrics measure customer satisfaction?
- A. Efficiency MIS metrics
  - B. Effectiveness MIS metrics
  - C. Both efficiency and effectiveness MIS metrics
  - D. Both ROI and market share

75. According to Peter Drucker, what are managers who do things right addressing?
- A. Efficiency
  - B. Effectiveness
  - C. Both efficiency and effectiveness
  - D. Customer satisfaction only
76. According to Peter Drucker, what are managers who do the right things addressing?
- A. Efficiency
  - B. Effectiveness
  - C. Both efficiency and effectiveness
  - D. Customer satisfaction only
77. Which of the following is a type of effectiveness MIS metric?
- A. Transaction speed
  - B. System availability
  - C. Usability
  - D. Throughput
78. Which of the following is a type of efficiency MIS metric?
- A. Customer satisfaction
  - B. Conversion rates
  - C. Financial transactions
  - D. Web traffic
79. Which term is used to describe the ease with which people perform transactions and/or find information?
- A. Usability
  - B. Customer satisfaction
  - C. Financial
  - D. Conversion rates
80. What is measured by such benchmarks as satisfaction surveys, percentage of existing customers retained, and increases in revenue dollars per customer?
- A. Usability
  - B. Customer satisfaction
  - C. Financial
  - D. Conversion rates
81. What would a company like eBay or Amazon be constantly benchmarking?
- A. MIS efficiency
  - B. MIS effectiveness
  - C. MIS efficiency and MIS effectiveness
  - D. Usability metrics only
82. When considering the graph depicting the interrelationships between efficiency and effectiveness, where does an organization ideally want to operate?
- A. Upper right-hand corner
  - B. Lower right-hand corner
  - C. Upper left-hand corner
  - D. Lower left-hand corner
83. Which of the following would efficiency MIS metrics measure?
- A. Response time
  - B. System availability
  - C. Transaction speed
  - D. All of these



84. Which of the following are the four common types of effectiveness MIS metrics?
- A. Unstructured decisions, customer satisfaction, conversion rates, financial
  - B. Usability, customer service, conversion rates, fiscal year revenue
  - C. Usability, customer satisfaction, conversion rates, financial
  - D. Usability, customer satisfaction, conversion rates, affordability
85. Drew Savage is an MIS manager for an international consulting firm. Drew travels to different European countries, where he implements news response tracking systems. Some of the metrics he uses to track the performance of his system include tracking the response time it takes to respond to Twitter posts mentioning the news station, as well as the speed and accuracy of content posted on numerous websites and social media sites. What type of metrics is Drew using to measure his system?
- A. Customer satisfaction metrics
  - B. Efficiency metrics
  - C. Effectiveness metrics
  - D. Benchmarking metrics
86. Efficiency MIS metrics focus on the extent to which a firm is using its resources in an optimal way, while effectiveness MIS metrics focus on \_\_\_\_\_.
- A. Understanding how successful a firm is at achieving its goals and objectives
  - B. Analyzing if a firm is doing the right things
  - C. Setting the right goals and ensuring they are accomplished
  - D. All of these
87. Which of the following describes the efficiency MIS metric of throughput?
- A. The number of hours a system is available for users
  - B. The time it takes to respond to user interactions such as a mouse click
  - C. The amount of information that can travel through a system at any point in time
  - D. The ease with which people perform transactions and/or find information
88. Which of the following tracks the number of customers an organization touches for the first time and persuades to purchase its products or services?
- A. Customer satisfaction
  - B. Usability
  - C. Conversion rates
  - D. Financial
89. What do usability effectiveness MIS metrics measure?
- A. The ease with which people perform transactions and find information
  - B. The number of customers an organization "touches" for the first time and persuades to purchase its products or services
  - C. The amount of time a system takes to perform a transaction
  - D. The number of hours a system is available for users
90. A common mistake that many managers tend to make is focusing on only one type of metrics because they are easier to measure. Which type of metrics do they focus on?
- A. Effectiveness MIS metrics
  - B. Efficiency MIS metrics
  - C. Endurance MIS metrics
  - D. Product sales metrics
91. When analyzing the interrelationships between efficiency and effectiveness, where would a company ideally want to operate?
- A. With high efficiency
  - B. The upper right-hand corner of the interrelationship graph
  - C. With high effectiveness
  - D. All of these

92. What is the process of continuously measuring system results, comparing those results to optimal system performance, and identifying steps and procedures to improve system performance?
- A. Benchmarking
  - B. Bottlenecking
  - C. Consolidation
  - D. Cycle time
93. Which of the following is not included as part of a benchmark?
- A. Benchmarks help assess how an MIS project performs over time.
  - B. When measured against MIS projects, benchmarks can provide feedback so managers can control the system.
  - C. Benchmarks help to establish baseline values the system seeks to attain.
  - D. Benchmarks perform All of these.
94. As a manager for your company, some of your responsibilities include measuring metrics and overseeing company strategies. You observe some critical success factors and see large increases in productivity. What would you suspect would be the primary reason for the large increases in productivity?
- A. Decreases in effectiveness
  - B. Increases in effectiveness
  - C. Increases in executive roles
  - D. Decreases in efficiency
95. Which of the following represents the top-down (executives to analysts) organizational levels of information technology systems?
- A. TPS, DSS, EIS
  - B. DSS, TPS, EIS
  - C. EIS, DSS, TPS
  - D. None of these, it varies from organization to organization.
96. Which of the following is an incorrect enterprise view of information technology?
- A. Processes are analytical for executives and transactional for analysts.
  - B. Granularity is coarse for executives and fine for analysts.
  - C. Processing is OLTP for executives and OLAP for analysts.
  - D. None of these.
97. What can a model accomplish?
- A. Calculate risks
  - B. Understand uncertainty
  - C. Manipulate time
  - D. All of these
98. What is consolidation?
- A. Involves the aggregation of information and features simple roll-ups to complex groupings of interrelated information
  - B. The ability to look at information from different perspectives
  - C. Enables users to get details, and details of details, of information
  - D. Finds the inputs necessary to achieve a goal such as a desired level of output
99. What is drill-down capability?
- A. Involves the aggregation of information and features simple roll-ups to complex groupings of interrelated information
  - B. The ability to look at information from different perspectives
  - C. Enables users to get details, and details of details, of information
  - D. Finds the inputs necessary to achieve a goal such as a desired level of output

100. What is slice-and-dice capability?
- A. Involves the aggregation of information and features simple roll-ups to complex groupings of interrelated information
  - B. The ability to look at information from different perspectives
  - C. Enables users to get details, and details of details, of information
  - D. Finds the inputs necessary to achieve a goal such as a desired level of output
101. What compiles information from multiple sources and tailors it to meet user needs?
- A. Drill-down
  - B. Sensitivity analysis
  - C. What-if analysis
  - D. Digital dashboard
102. What are various commercial applications of artificial intelligence?
- A. Drill-down
  - B. Sensitivity analysis
  - C. Digital dashboard
  - D. Intelligent system
103. What is a category of AI that attempts to emulate the way the human brain works?
- A. Intelligent system
  - B. Artificial intelligence
  - C. Expert systems
  - D. Neural network
104. Which of the following is the most commonly used form of AI in the business arena?
- A. Intelligent system
  - B. Artificial intelligence
  - C. Expert system
  - D. Neural network
105. What is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users?
- A. Intelligent system
  - B. Artificial intelligence
  - C. Neural network
  - D. Intelligent agent
106. What do cargo transport systems, book distribution centers, the video game market, a flu epidemic, and an ant colony have in common?
- A. They are all expert systems and thus share some characteristics.
  - B. They are all genetic algorithm systems and thus share some characteristics.
  - C. They are all neural network systems and thus share some characteristics.
  - D. They are all complex adaptive systems and thus share some characteristics.
107. Which industry has been relying on neural network technology for more than two decades?
- A. Food service
  - B. Hotels
  - C. Finance
  - D. Health care
108. Which type of AI system assigns values of 0 and 1 to vague or ambiguous information?
- A. Genetic algorithms
  - B. Artificial intelligence
  - C. Fuzzy logic
  - D. Intelligent agents

109. What is a simplified representation or abstraction of reality?
- A. Model
  - B. Metric
  - C. Redundancy
  - D. Sensitivity Analysis
110. What can a manager use a model to do?
- A. Calculate risk
  - B. Change variables
  - C. Understand uncertainty
  - D. All of these
111. What would managers use to make structured decisions at the operational level?
- A. Transactional information
  - B. Analytical information
  - C. An EIS system
  - D. Intelligent system
112. Which of the following would create transactional information?
- A. Projecting future sales growth
  - B. Making an airline reservation
  - C. A semistructured decision to hire more employees
  - D. Generating payroll reports
113. What are the three primary types of management information systems available to support decision making across the company levels?
- A. Transaction processing systems, decision support systems, executive information systems
  - B. Analytical information, decision support systems, executive information systems
  - C. Transaction processing systems, drill-down systems, expert systems
  - D. What-if analysis, sensitivity analysis, goal-seeking analysis
114. A transaction processing system (TPS) is the basic business system that assists operational-level analysts when making structured decisions. Which of the following is not an example of a TPS?
- A. Target's internal company payroll system
  - B. Comfort Dental patient diagnosis system
  - C. First Bank's overall accounting system
  - D. Stewart Sport's order entry system
115. What is the flow that a systems thinking approach using a TPS would follow?
- A. Streamlining (input)—CRUD, calculate (process)—reports (output)
  - B. Source documents (input)—optimization analysis (process)—(feedback)—(output)
  - C. Source documents (input)—CRUD, calculate (process)—reports (output)—(feedback)
  - D. Selling documents (input)—cycle time (process)—reports (output)—(feedback)
116. Online transaction processing (OLTP) is the capturing of transaction and event information using technology to \_\_\_\_\_.
- A. Update existing information to reflect the new information
  - B. Store the information
  - C. Process the information according to defined business rules
  - D. All of these
117. Which of the following does not represent an example of analytical information?
- A. Trends and product statistics
  - B. Unstructured long-term decisions
  - C. Five-year sales report
  - D. Future growth projections

118. Decision support systems, or DSSs, model information using OLAP, which provides assistance in evaluating and choosing among different courses of action. Which of the following does not represent an example of a DSS in business?
- A. An insurance company using a system to gauge risk of providing insurance to drivers who have imperfect driving records
  - B. A medical doctor entering symptoms into a system to aid in diagnosing and treating patients
  - C. A manufacturing digital dashboard showing visualizations of inventory and production
  - D. A dentist entering symptoms into a system to help diagnose and treat patients
119. What is the MIS system that manipulates information to create business intelligence in support of strategic decision making?
- A. Online transaction processing (OLTP)
  - B. Online analytical processing (OLAP)
  - C. Digital dashboard
  - D. Visualization
120. When viewing systems thinking, source documents are the original transaction records. What would the source documents for a medical doctor's payroll system include?
- A. Employee time sheets
  - B. Employee benefit reports
  - C. Employee wage rates
  - D. All of these
121. Which of the following represent the four main DSS analysis techniques outlined in the chapter?
- A. What-if analysis, sensitivity analysis, goal-seeking analysis, optimization analysis
  - B. Workflow analysis, sensitivity analysis, growth analysis, organizational analysis
  - C. What-if analysis, structured analysis, goal-seeking analysis, optimization analysis
  - D. What-if analysis, sensitivity analysis, growth analysis, organizational analysis
122. Tom Watson is a manager for a McDonald's restaurant. Many of his key responsibilities include analyzing data and making key decisions for the success of his store. Tom's store has been experiencing decreased sales for breakfast services over the past 3 months. Tom is unsure why breakfast revenues are down while lunch and dinner revenues remain unchanged. Tom believes that he can drive revenue up by implementing a few different breakfast promotions, such as free coffee or hash browns with the purchase of a meal. Tom performs an extensive analysis of how continuous changes in breakfast promotions could affect his daily revenue. What type of DSS analysis is Tom performing?
- A. Optimization analysis
  - B. Sensitivity analysis
  - C. Transaction analysis
  - D. Goal-seeking analysis
123. What is the DSS analysis that checks the impact of a change in a variable or assumption on the model?
- A. Optimization analysis
  - B. Goal-seeking analysis
  - C. Sensitivity analysis
  - D. What-if analysis
124. Online transaction processing (OLTP) and online analytical processing (OLAP) are similar MIS strategies used to help with business decision making. What is the primary difference between OLTP and OLAP?
- A. OLTP is used at the operational level; OLAP is used at the managerial level.
  - B. OLTP is used to capture transactional and event data; OLAP is used to manipulate information.
  - C. OLTP is used to support structured decisions; OLAP is used to support semistructured decisions.
  - D. All of these.

125. An optimization analysis finds the optimum value for a target variable by repeatedly changing other variables, subject to specified constraints. What can a manager determine by changing revenue and cost variables in an optimization analysis?
- A. Calculate the highest potential profits
  - B. Calculate employee benefit payments
  - C. Use this as an extension for a digital dashboard
  - D. Create production schedules
126. What is the analysis that works in reverse to what-if and sensitivity analysis by finding the inputs necessary to achieve a goal such as a desired level of output?
- A. Solutions-based analysis
  - B. Optimization system
  - C. Goal-seeking analysis
  - D. Revenue analysis
127. Decision making at the executive or strategic level requires business intelligence and knowledge to support the uncertainty and complexity of the business. What is a specialized DSS that supports senior-level executives and unstructured decisions requiring judgment, evaluation, and insight?
- A. OLTP
  - B. Executive information system (EIS)
  - C. Transaction support system (TSS)
  - D. Decision support system (DSS)
128. Executives of a company deal less with details of the operational activities and deal more with the higher meaningful aggregations of information or "coarser" information. What refers to the level of detail in the model?
- A. Drill-down
  - B. Visualization
  - C. Granularity
  - D. Consolidation
129. How does a DSS typically differ from an EIS?
- A. An EIS requires data from external sources to support unstructured decisions, where a DSS typically uses internal sources to support semistructured decisions.
  - B. A DSS typically uses external sources, and EIS use internal sources to support decisions.
  - C. A DSS never uses external sources.
  - D. An EIS always uses internal sources to support structured decisions.
130. What is a graphical display of patterns and complex relationships in large amounts of data?
- A. Visualization
  - B. Model
  - C. Table
  - D. Digital spreadsheet
131. What is a common tool that is used to support visualizations and tracks KPIs and CSFs by compiling information from multiple sources?
- A. Models
  - B. Digital dashboards
  - C. Neural networks
  - D. Verified graphs
132. Which of the following is offered by a digital dashboard?
- A. Consolidation
  - B. Drill-down
  - C. Slice-and-dice
  - D. All of these

133. Which of the following would not be found in a digital dashboard for a manufacturing team?
- A. A graph of stock market prices
  - B. A running line graph of planned versus actual production for the past 24 hours
  - C. An Excel spreadsheet with cost analysis data
  - D. A hot list of key performance indicators, refreshed every 15 minutes
134. As the product manager for the eatery division at Whole Foods, Jerry is responsible for analyzing sales data to help him manage his team. Today, Jerry is analyzing his data using many different perspectives to identify different ways to improve his division. Which of the following common digital dashboard capabilities is Jerry using to analyze his department's success?
- A. Slice-and-dice
  - B. Competitive tables
  - C. Drill-down
  - D. Consolidation
135. As the product manager for the eatery division at Whole Foods, Jerry is responsible for analyzing sales data to help him manage his team. Today, Jerry is analyzing his data using aggregation techniques allowing him to see simple roll-ups to complex groupings of interrelated information. Which of the following common digital dashboard capabilities is Jerry using to analyze his departments success?
- A. Slice-and-dice
  - B. Competitive tables
  - C. Drill-down
  - D. Consolidation
136. As the product manager for the eatery division at Whole Foods, Jerry is responsible for analyzing sales data to help him manage his team. Today, Jerry is analyzing his data by looking at details, and details of details, of information. Which of the following common digital dashboard capabilities is Jerry using to analyze his departments success?
- A. Slice-and-dice
  - B. Competitive tables
  - C. Drill-down
  - D. Consolidation
137. Van Lines Inc. is a large corporation operating in all 50 states. Jim Poulous is the regional manager overseeing the western division, which includes Utah, Colorado, Idaho, Montana, Wyoming, and Nevada. Jim receives data from his managers in each state, which he loads into his digital dashboard for analysis of his entire western division. What digital dashboard capability is Jim primarily using?
- A. Drill-down
  - B. Slice-and-dice
  - C. Intelligent system
  - D. Consolidation
138. Artificial intelligence stimulates human thinking and behavior, such as the ability to reason and learn. What is the ultimate goal of AI?
- A. To build an intelligent system
  - B. To build an intelligent agent
  - C. To build a system that can mimic human intelligence
  - D. To build a system that can mimic an expert agent
139. Which of the following is an example of an intelligent system?
- A. The Firefighter Robot that can extinguish flames at chemical plants
  - B. Shell Oil's Smart Pump robot that pumps gas for the customer
  - C. A robot that cleans and sweeps at a local airport
  - D. All of these

140. Which of the following does not represent a category of AI?
- A. Genetic algorithms
  - B. Neural networks
  - C. Expert systems
  - D. Consolidation
141. What is a system that uses computerized advisory programs to imitate the reasoning processes of experts in solving difficult problems?
- A. Expert system
  - B. Virtual reality
  - C. Neural network
  - D. Genetic algorithm
142. Which of the following categories of AI is used extensively in the finance industry to analyze situations where the logic or rules are unknown?
- A. Expert system
  - B. Virtual reality
  - C. Neural network
  - D. Genetic algorithm
143. Which of the following is not a feature of a neural network?
- A. Neural networks can cope with huge volumes of information with many variables.
  - B. Neural networks can function without complete or well-structured information.
  - C. Neural networks can analyze linear relationships only.
  - D. Neural networks can learn and adjust to new circumstance on their own.
144. What is the mathematical method of handling imprecise or subjective information?
- A. Fuzzy logic
  - B. Virtual reality
  - C. Expert system
  - D. Genetic algorithm
145. Sears department stores used to plant employees in competitor stores to perform research and analysis. Recently, the company implemented a system that can search competitor websites and provide comparisons of price, promotions, and availability, and the system is saving time, money, and resources. What type of system did Sears implement?
- A. Shopping algorithm
  - B. Shopping network
  - C. Shopping logic
  - D. Shopping bot
146. What is the process of learning from ecosystems and adapting their characteristics to human and organization situations?
- A. Data collection
  - B. Artificial intelligence
  - C. Biomimicry
  - D. Intelligent system
147. Which of the following is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users?
- A. Intelligent agent
  - B. Executive agent
  - C. Expert agent
  - D. Modeling system



148. Which of the following offers a disadvantage for working virtually?
- A. Increases in worker productivity
  - B. Increases in feelings of seclusion
  - C. Decreases in expenses for the company
  - D. Alleviation of congested roadways
149. What is an optimizing system that can find and evaluate solutions with many more possibilities, faster and more thoroughly than a human?
- A. Genetic algorithm
  - B. Expert system
  - C. Intelligent agent
  - D. Virtual reality
150. Bob Silver loves playing a game called World of Warcraft, where he has the capability to create his own character and even his own life-like environment. Which AI system would you use to categorize World of Warcraft?
- A. Multi-agent system
  - B. Expert system
  - C. Virtual reality
  - D. Fuzzy logic system
151. Which of the following offers an example of an intelligent agent that uses a multi-agent system?
- A. A cargo transport system
  - B. Book distribution center
  - C. A flu epidemic
  - D. All of these
152. What types of business decisions would an EIS use AI for?
- A. Semistructured decisions
  - B. Multistructured decisions
  - C. Structured decisions
  - D. Unstructured decisions
153. Which of the following business ideas is not using AI?
- A. Best Buy implements a software system that will determine how many customers are needed to . increase gross profits to \$5 million.
  - B. McDonald's unveils a robot that cleans and tidies the restaurant, while also asking guests if it can take their trays to the trash.
  - C. Starbucks creates a system that works like a hand and lifts and moves the mixing pots for the coffees to . and from the coffee machines to the counters.
  - D. Golf courses create an automated golf cart that can offer swing suggestions, club suggestions, and even . navigate the course for the driver.
154. Which of the following business processes would you find in the marketing and sales division?
- A. Ordering inventory
  - B. Enrolling employees in health care benefits
  - C. Promoting of discounts
  - D. Creating financial statements
155. Which of the following departments is primarily responsible for promoting discounts, attracting customers, and communicating marketing campaigns?
- A. Accounting and finance
  - B. Marketing and sales
  - C. Operations management
  - D. Human resources

156. Which of the following represents a business process you would find in the operations management department?
- A. Ordering inventory
  - B. Processing sales
  - C. Promoting discounts
  - D. Paying of accounts payable
157. Most business processes are cross-functional or cross-departmental processes that span the entire organization. Which of the following does not represent a cross-functional business process?
- A. Order-to-delivery process
  - B. Loan processing
  - C. Taking a product from concept to market
  - D. Processing payroll
158. The accounting and finance department performs processes such as creating financial statements, paying accounts payables, and collecting accounts receivables. What form of processes do these represent?
- A. Customer-facing processes
  - B. Business-facing processes
  - C. Industry-specific customer facing processes
  - D. All of these
159. What form of processes include loan processing for a bank, claims processing for an insurance company, reservation processing for a hotel, and baggage handling for an airline?
- A. Customer-facing processes
  - B. Business-facing processes
  - C. Industry-specific customer-facing processes
  - D. All of these
160. What type of process includes order processing, customer service processing, sales processing, customer billing processing, and order shipping processing?
- A. Customer-facing processes
  - B. Business-facing processes
  - C. Industry-specific customer facing processes
  - D. All of these
161. Which of the following represents business processes you would find in the human resources department?
- A. Hiring employees
  - B. Enrolling employees in benefit plans
  - C. Tracking vacation and sick time
  - D. All of these
162. What is the difference between customer-facing processes and business-facing processes?
- A. Business-facing processes are front-office processes, and customer-facing processes are back-office processes.
  - B. Customer-facing processes are front-office processes, and business-facing processes are back-office processes.
  - C. Customer-facing processes are back-office processes, and industry-specific customer-facing processes are back-office processes.
  - D. Customer-facing processes are back-office processes, and industry-specific customer-facing processes are front-office processes.
163. Which of the following is a customer-facing process?
- A. Communicating with customers
  - B. Strategic goal setting
  - C. Providing performance feedback and rewards
  - D. Purchasing raw materials

164. Which of the following represents a business-facing process?
- A. Loan processing
  - B. Order processing
  - C. Strategic planning
  - D. Customer billing
165. When considering the five steps of the order-to-delivery business process, creating campaigns and checking inventory are included in which of the following?
- A. Step 4—sales
  - B. Step 1—marketing
  - C. Step 3—operations management
  - D. Step 2—customer service
166. Which of the following processes focuses on the entire customer order process and operates across functional departments?
- A. Order to delivery process
  - B. Customer billing process
  - C. Customer loan process
  - D. All of these
167. Which of the following processes would be found in the operations management department?
- A. Creating production schedules
  - B. Communicating marketing campaigns
  - C. Hiring employees
  - D. Processing sales
168. Which of the following should a business follow for success?
- A. Technology choices should drive business processes.
  - B. Business processes should drive technology choices.
  - C. Technology choices should drive business strategies and goals.
  - D. All of these, depending on the industry.
169. Business process modeling, or mapping, is the activity of creating a detailed flowchart or process map of a work process that shows its inputs, tasks, and activities in a \_\_\_\_\_ sequence.
- A. Unstructured
  - B. Semistructured
  - C. Structured
  - D. Unilateral
170. Jessica Ulta works as an employee for City Service Credit Union and is responsible for consulting on loans, talking clients through the loan process, and providing loans to members. What type of processes does Jessica primarily work with?
- A. Business-facing processes
  - B. Industry-specific customer-facing processes
  - C. Customer-facing processes
  - D. Industry-specific business-facing processes
171. Sarah Schin was recently hired by Bank West as the global director of human resources. Her job duties include determining employment policies as well as overseeing all hiring, firing, and training of employees. What type of processes does Sarah's new job demonstrate?
- A. Business-facing processes
  - B. Industry-specific customer-facing processes
  - C. Customer-facing processes
  - D. Industry-specific business-facing processes

172. What is a model that represents the current state of the operation without any specific improvements or changes to existing processes?
- A. As-Is process models
  - B. To-Be process models
  - C. Competitive business process models
  - D. Workflow model
173. What is the business process model that ensures the process is fully and clearly understood before the details of a process solution are decided upon?
- A. As-Is process model
  - B. Business process reengineering model
  - C. Customer facing process
  - D. To-Be process model
174. What is the difference between the As-Is process model and the To-Be process model?
- A The As-Is process model begins with what the process problem is, and the To-Be process model . displays how the problem will be solved.
  - B. The process models are not related.
  - C. Both process models determine when to solve the problem.
  - D The As-Is process model begins with where to implement the solution, and the To-Be process model . displays why the problem needs to be fixed.
175. What is the primary goal of the As-Is process model?
- A. To outline the process elements for the To-Be process
  - B. To create process choices for the As-Is process
  - C. To simplify, eliminate, and improve the To-Be process
  - D. To analyze the To-Be process elements
176. The local florist in town is Cheryl Steffan, who has been in business for more than 20 years. Recently, Cheryl has noticed several complaints about delivery errors. Cheryl decides to investigate the errors in her business delivery process and finds that most of the inaccuracies occur during order taking. Cheryl decides to implement an electronic ordering system to help improve order efficiency and effectiveness. What method did Cheryl follow to solve her delivery issues?
- A. Modeled the As-Is process, fixed the errors, and then created the To-Be process
  - B. Modeled the To-Be process, fixed the errors, and then created the As-Is process
  - C. Moved directly to implementing the To-Be process without analyzing the As-Is process
  - D. Moved directly to implementing the As-Is process without analyzing the To-Be process
177. What is the primary goal of using As-Is and To-Be process models?
- A. To determine employee specific errors
  - B. To determine measurement metrics
  - C. To determine the best way to solve a problem
  - D. To determine what the problem is and then how to solve the problem
178. Review the following list of key terms and determine which one typically occurs during operational business process improvement.
- A. Automation
  - B. Streamlining
  - C. Reengineering
  - D. Improvement
179. Review the following list of key terms and determine which one typically occurs during managerial business process improvement.
- A. Automation
  - B. Streamlining
  - C. Reengineering
  - D. Improvement

180. Review the following list of key terms and determine which one typically occurs during strategic business process improvement.
- A. Automation
  - B. Streamlining
  - C. Reengineering
  - D. Improvement
181. Which of the following examples indicates when the time is right to initiate a business process change?
- A. The market being served makes a distinctive shift.
  - B. The company is following industry benchmarks on its core processes.
  - C. The company strategically passes or leapfrogs the competition on key decisions to regain competitive advantage.
  - D. All of these.
182. What does BPR assume about the current process in the extreme?
- A. Current process is irrelevant.
  - B. Current process is broken.
  - C. Current process must be overhauled from scratch.
  - D. All of these.
183. Which of the following processes attempt to understand and measure the current process and make improvements?
- A. Business process mapping
  - B. Business process reengineering
  - C. Business process improvement
  - D. Business process model
184. Transaction processing systems are primarily used to automate business processes. Automation increases efficiency and effectiveness, while reducing head count, which in turn reduces the overall operational \_\_\_\_\_.
- A. Costs
  - B. Systems
  - C. Revenues
  - D. Intelligence
185. Several factors can accelerate the need for a company to make business improvement processes. What is the most prevalent factor?
- A. Market shifts
  - B. Technology
  - C. Discoveries
  - D. Bottlenecking
186. What improves managerial level business processes?
- A. Performance measures
  - B. Bottlenecks
  - C. Redundancy
  - D. Streamlining
187. What is the point when resources reach full capacity and cannot handle any additional demands?
- A. Optimization analysis
  - B. Bottlenecks
  - C. Redundancy
  - D. Swim lane

188. Which of the following represents an example of a technology that actually disrupts and slows workflow?

- A. Email
- B. Twitter
- C. Facebook
- D. All of these

189. Automating a business process that contains \_\_\_\_\_ or \_\_\_\_\_ will magnify or amplify these problems if they are not corrected first.

- A. Bottlenecks; regulations
- B. Redundancies; regulations
- C. Bottlenecks; redundancies
- D. Redundancies; swim lanes

190. FedEx is a great example of a company that created a competitive advantage through combining \_\_\_\_\_.

- A. MIS and traditional distribution and logistics processes
- B. Logistic processes and an As-Is process model
- C. Artificial intelligence and distribution processes
- D. Swim lanes and logistic processes

191. What is the analysis and redesign of workflow within and between enterprises?

- A. Critical success factors (CSFs)
- B. Benchmarking metrics
- C. Business process reengineering (BPR)
- D. Decision support interfaces (DSI)

192. Changing business processes with MIS outlines how to improve the three levels of business processes, which include operational, managerial, and strategic. From operational to strategic, what are the three major improvement strategies that the author describes?

- A. Automation—streamlining—reengineering
- B. Artificial intelligence—streamlining—reengineering
- C. Automation—workflow—reinvention
- D. Automation—consolidating—restructuring

193. Which of the following represents the four main steps in the business process reengineering?

- A. Set project problem, study competition, create new products, and implement solution
- B. Set project scope, study competition, create new products, and implement solution
- C. Set project scope, study competition, create new processes, and implement solution
- D. Study competition, set project scope, create new processes, and implement solutions

194. Which of the following explains why a company would implement a BPR strategy?

- A. To encourage competition
- B. To decrease customers
- C. To create value for the customer
- D. All of these

195. What is the system that focuses on evaluating and improving the processes that include both person-to-person workflow and system-to-system communications?

- A. Business process management (BPM) systems
- B. Semistructured systems
- C. Virtual reality
- D. All of these

196. \_\_\_\_\_ decisions are considered operational and involve situations where established processes offer potential solutions.

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197. The typical structure of a business organization is similar to a pyramid and consists, from top to bottom, of strategic, managerial, and \_\_\_\_\_ levels.  
\_\_\_\_\_
198. At the \_\_\_\_\_ level of a business structure, employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change.  
\_\_\_\_\_
199. The \_\_\_\_\_ level of a business structure is where employees develop, control, and maintain core business activities required to run the day-to-day activities.  
\_\_\_\_\_
200. The president and vice president of a company are typically found in the \_\_\_\_\_ level of the business structure.  
\_\_\_\_\_
201. Situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision, are considered \_\_\_\_\_ decisions.  
\_\_\_\_\_
202. A \_\_\_\_\_ is a temporary activity a company undertakes to create a unique product, service, or result.  
\_\_\_\_\_
203. The crucial steps companies perform to achieve their goals and objectives and implement their strategies are called \_\_\_\_\_ success factors.  
\_\_\_\_\_
204. \_\_\_\_\_ MIS metrics measure the impact MIS has on business processes and activities including customer satisfaction and customer conversion rates.  
\_\_\_\_\_
205. \_\_\_\_\_ MIS metrics measure the performance of the IT system itself, including throughput, speed, and availability.  
\_\_\_\_\_
206. \_\_\_\_\_ focuses on how well an organization is achieving its goals and objectives.  
\_\_\_\_\_
207. \_\_\_\_\_ focuses on the extent to which an organization is using its resources in an optimal way.  
\_\_\_\_\_
208. \_\_\_\_\_ are baseline values the system seeks to attain.  
\_\_\_\_\_
209. \_\_\_\_\_ is a process of continuously measuring system results, comparing those results to optimal system performance, and identifying steps and procedures to improve system performance.  
\_\_\_\_\_
210. \_\_\_\_\_ is the amount of information that can travel through a system at any point in time.  
\_\_\_\_\_
211. System \_\_\_\_\_ is the number of hours a system is available for use by customers and employees.  
\_\_\_\_\_
212. \_\_\_\_\_-seeking analysis finds the inputs necessary to achieve a goal such as a desired level of output.  
\_\_\_\_\_

213. The basic business system that serves the operational level (analysts) and assists in making structure decisions is called \_\_\_\_\_ processing system.  
\_\_\_\_\_
214. Using systems thinking, we can see that the inputs for a transaction processing system are \_\_\_\_\_ documents, the original transaction record.  
\_\_\_\_\_
215. \_\_\_\_\_ support systems model information using OLAP, which provides assistance in evaluating and choosing among different courses of action.  
\_\_\_\_\_
216. Executive information systems are starting to take advantage of \_\_\_\_\_ intelligence to support strategic decision making, by stimulating human thinking and behavior.  
\_\_\_\_\_
217. A shopping \_\_\_\_\_ is software that will search several retailer websites and provide a comparison of each retailer's offerings, including price and availability.  
\_\_\_\_\_
218. Citibank uses \_\_\_\_\_ networks to find opportunities in financial markets by carefully examining historical stock market data.  
\_\_\_\_\_
219. At Microsoft's headquarters in Washington, they have implemented a \_\_\_\_\_ workforce to help alleviate congestion, save on real estate, and potentially increase worker production.  
\_\_\_\_\_
220. The \_\_\_\_\_-facing processes are also called front-office processes that result in a product or service received by an external customer.  
\_\_\_\_\_
221. A \_\_\_\_\_ lane layout arranges the steps of a business process into a set of rows depicting the various elements.  
\_\_\_\_\_
222. Business process modeling or \_\_\_\_\_ is the activity of creating a detailed flowchart or process of a work process that shows its inputs, tasks, and activities in a structured sequence.  
\_\_\_\_\_
223. A \_\_\_\_\_ occurs when resources reach full capacity and cannot handle any additional demands.  
\_\_\_\_\_
224. The primary types of business process change from the operational level to the strategic level are \_\_\_\_\_, streamlining, and reengineering.  
\_\_\_\_\_
225. Business process reengineering is the analysis and \_\_\_\_\_ of workflow within and between enterprises.  
\_\_\_\_\_
226. A(n) \_\_\_\_\_ is a simplified representation or abstraction of reality.  
\_\_\_\_\_
227. A decision support system models \_\_\_\_\_ to support managers and business professionals during the decision-making process.  
\_\_\_\_\_



228. \_\_\_\_\_ analysis occurs when users change the value of one variable repeatedly and observe the resulting changes in other variables.  
\_\_\_\_\_
229. What-if analysis checks the impact of a \_\_\_\_\_ in an assumption on the proposed solution.  
\_\_\_\_\_
230. \_\_\_\_\_ logic is a mathematical method of handling imprecise or subjective information.  
\_\_\_\_\_
231. \_\_\_\_\_ systems are various commercial applications of artificial intelligence.  
\_\_\_\_\_
232. Artificial intelligence simulates \_\_\_\_\_ intelligence such as the ability to reason and learn.  
\_\_\_\_\_
233. \_\_\_\_\_ systems are computerized advisory programs that imitate the reasoning processes of experts in solving difficult problems.  
\_\_\_\_\_
234. A(n) \_\_\_\_\_ agent is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users.  
\_\_\_\_\_
235. Customer-facing processes result in a product or service that is received by an organization's \_\_\_\_\_ customer.  
\_\_\_\_\_
236. Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.
237. Define critical success factors (CSFs) and key performance indicators (KPIs), and explain how managers use them to measure the success of MIS projects.
238. Classify the different operational support systems, managerial support systems, and strategic support systems, and explain how managers can use these systems to make decisions and gain competitive advantages.

239. Describe artificial intelligence, and identify its five main types.

240. Explain the value of business processes for a company, and differentiate between customer-facing and business-facing process.

241. Demonstrate the value of business process modeling, and compare As-Is and To-Be models.

242. Differentiate among business process improvements, streamlining, and reengineering.

243. Describe business process management and its value to an organization.

## 02 Key

1. One of the most important and challenging question confronting managers today is how to lay the foundation for tomorrow's success while competing to win in today's business environment.

**TRUE**

The most important and most challenging question confronting managers today is how to lay the foundation for tomorrow's success while competing to win in today's business environment.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #1  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

2. The structure of a typical organization is similar to a pyramid, with different levels that require one consistent type of information to assist with all managerial decision making.

**FALSE**

The structure of a typical organization is similar to a pyramid, with different levels that require different types of information to assist decision making, problem solving, and opportunity capturing.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #2  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

3. Operational decisions or semistructured decisions arise in situations where established processes offer potential solutions.

**FALSE**

Operational decisions are considered structured decisions not semistructured decisions, which arise in situations where established processes offer potential solutions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #3  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

4. Unstructured decisions occur in situations in which no procedures or rules exist to guide decision makers toward the correct choice.

**TRUE**

Unstructured decisions occur in situations in which no procedures or rules exist to guide decision makers toward the correct choice.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #4  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

5. At the strategic decision-making level, employees develop, control, and maintain core business activities.

**FALSE**

At the operational decision-making level employees develop, control, and maintain core business activities required to run the day-to-day operations.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #5  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

6. The construction of a new city subway station and the processing of monthly payroll are both considered types of projects as defined in your text.

**FALSE**

A project is considered a temporary activity a company undertakes to create a unique product, service, or result. The subway station construction is a project; however, payroll processing is not a project and does not create a unique product, service, or result.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #6  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

7. Key performance indicators can focus on external and internal measurements.

**TRUE**

Key performance indicators (KPIs) can focus on external and internal measurements.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #7  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

8. The proportion of the market that a firm captures is called market share.

**TRUE**

The proportion of the market that a firm captures is called market share.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #8  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

9. Benchmarks are baseline values the system seeks to attain.

**TRUE**

Benchmarks are baseline values the system seeks to attain.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #9  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

10. Effectiveness MIS metrics include throughput, transaction speed, and system availability.

**FALSE**

Efficiency MIS metrics include throughput, speed, and availability.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #10  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

11. Measuring the amount of website traffic is the best way to determine a website's success.

**FALSE**

A large amount of website traffic does not indicate large revenues or website success.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #11  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

12. MIS support systems rely on models for computational and analytical routines that mathematically express relationships among variables.

**TRUE**

MIS support systems rely on models for computational and analytical routines that mathematically express relationships among variables.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #12  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.

Topic Area: Support Enhancing Decision Making with MIS

13. Streamlining information encompasses all of the information contained within a single business process or unit of work, and its primary purpose is to support the performing of daily operational or structured decisions.

**FALSE**

Transactional information encompasses all of the information contained within a single business process or unit of work, and its primary purpose is to support the performing of daily operational or structured decisions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #13  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

14. Sensitivity analysis, what-if analysis, optimization analysis, and market basket analysis are the common DSS analysis techniques.

**FALSE**

Sensitivity analysis, what-if analysis, optimization analysis, and goal-seeking analysis are the common DSS analysis techniques.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #14  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

15. Digital dashboards offer consolidation, drill-down, and slice-and-dice capabilities.

**TRUE**

Digital dashboards offer consolidation, drill-down, and slice-and-dice capabilities.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #15  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

16. Managers use transactional information when making structured decisions at the operational level.

**TRUE**

Managers use transactional information when making structured decisions at the operational level.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #16  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

17. The manipulation of information to create business intelligence in support of strategic decision making is referred to as OLTP, or online transaction processing.

**FALSE**

The manipulation of information to create business intelligence in support of strategic decision making is online analytical processing (OLAP).

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #17  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

18. Intelligent systems are various commercial applications of artificial intelligence.

**TRUE**

Intelligent systems are various commercial applications of artificial intelligence

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #18  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*  
*Topic Area: The Future Artificial Intelligence*

19. A neural network is a category of efficiency metrics where it attempts to measure the way the human brain works.

**FALSE**

A neural network is a category of artificial Intelligence where it always attempts to emulate the way the human brain works.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #19  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*  
*Topic Area: The Future Artificial Intelligence*

20. Investment companies use genetic effectiveness metrics to help in trading decisions.

**FALSE**

Investment companies use genetic algorithms to help in trading decisions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #20  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*  
*Topic Area: The Future Artificial Intelligence*

21. A shopping bot is one of the simplest examples of an intelligent agent.

**TRUE**

A shopping bot is one of the simplest examples of an intelligent agent.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #21  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

22. At Microsoft's headquarters, to eliminate congestion and save on other business expenses, the company offered employees the option to work virtually from home.

**TRUE**

At Microsoft's headquarters, to eliminate congestion and save on other business expenses, the company offered employees to be able to work from home virtually.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #22  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

23. Business-facing processes, or back-office processes, are invisible to the external customer but essential to the effective management and operation of the business.

**TRUE**

Business-facing processes, or back-office processes, are invisible to the external customer but essential to the effective management of the business.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #23  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

24. When evaluating the five steps in the order-to-delivery business process, step one includes creating a campaign and checking inventory, which are both part of the sales function.

**FALSE**

Step one includes creating a campaign and checking inventory, which are both part of the marketing function.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #24  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes



25. Strategic planning is a customer-facing business process.

**FALSE**

Strategic planning is a business-facing process and is invisible to the customer.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #25  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

26. Product delivery is a customer-facing business process.

**TRUE**

Product delivery is a customer-facing business process.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #26  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

27. Improving the efficiency and effectiveness of its business processes will improve a firm's value chain.

**TRUE**

Improving the efficiency and effectiveness of its business processes will improve the firm's value chain.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #27  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

28. A business management system is a graphic description of a process, showing the sequence of process tasks, which is developed for a specific purpose and from a selected viewpoint.

**FALSE**

A business process model is a graphic description of a process, showing the sequence of process tasks, which is developed for a specific purpose and from a selected viewpoint.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #28  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

29. To-Be process models show the results of applying change improvement opportunities to the current (As-Is) process model.

**TRUE**

To-Be process models show the results of applying change improvement opportunities to the current (As-Is) process model.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #29  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

30. The primary goal of an As-Is process model is to simplify, eliminate, and improve the To-Be processes.

**TRUE**

The primary goal of an As-Is process model is primarily to simplify, eliminate, and improve the To-Be processes.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #30  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

31. Business processes should never drive MIS choices and should be based on business strategies and goals.

**FALSE**

Business processes should drive MIS choices and should be based on business strategies and goals.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #31  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

32. Redundancy occurs when a task or activity is never repeated.

**FALSE**

Redundancy occurs when a task or activity is unnecessarily repeated.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #32  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

33. Business process reengineering is the analysis and redesign of workflow within and between enterprises.

**TRUE**

Business process reengineering (BPR) is the analysis and redesign of workflow within and between enterprises.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #33  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

34. Business process management systems evaluate and improve processes that include both person-to-person workflow and system-to-system communications.

**TRUE**

Business process management (BPM) system focus on evaluating and improving processes that include both person-to-person workflow and system-to-system communications.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #34  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-08 Describe business process management and its value to an organization.  
Topic Area: The Future Business Process Management

35. BPM systems include advanced features such as enhanced process modeling, simulation, execution, and monitoring, providing a high level of flexibility while reducing costs.

**TRUE**

BPM systems include advanced features such as enhanced process modeling, simulation, execution, and monitoring, providing a high level of flexibility while reducing costs.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #35  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-08 Describe business process management and its value to an organization.  
Topic Area: The Future Business Process Management

36. Which of the following is a not a type of organizational information system?

- A. Executive information system
- B. Decisions support system
- C. Analysis processing system**
- D. Transactional processing system

Analysis processing system is not a type of organizational IS.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #36  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

37. Which of the following is an important challenge facing managers today?
- A. Making business decision
  - B. Solving business problems
  - C. Competing to win in today's market
  - D.** All of these

The most important challenges facing management of a company are (1) decision making, (2) cultivating strategies for the future business, and (3) competing to win in today's market.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #37  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.  
Topic Area: Making Business Decisions

38. What must managers be able to do to compete in today's global marketplace?
- A. Make decisions to gain competitive advantages
  - B. Make decision that can help forecast future business needs
  - C. Make decision that can help forecast future business requirements
  - D.** All of these

We learn in Chapter 2 that to achieve competitive advantages, managers must be able to make decisions and be able to forecast future business needs and requirements.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #38  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.  
Topic Area: Making Business Decisions

39. Which of the following is not considered a challenge facing most managers today?
- A. Managerial decisions must be made quickly.
  - B. Strategic decisions need to be made by applying analysis techniques.
  - C.** Artificial intelligence is required by all managers to be successful.
  - D. Managerial decisions require large amounts of information to analyze.

The primary decision-making challenges facing managers today are (1) decisions must be made quickly, (2) strategic decisions need to be made by applying analysis techniques, and (3) they have large amounts of information to analyze.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #39  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.  
Topic Area: Making Business Decisions

40. Which of the following is not included in the decision-making process?
- A. Data collection
  - B. Solution benchmarking**
  - C. Solution generation
  - D. Solution test

The six-step decision making process is (1) problem identification, (2) data collection, (3) solution generation, (4) solution test, (5) solution selection, and (6) solution implementation.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #40  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

41. When evaluating the six-step decision making process, what occurs during the solution implementation step?
- A. The process will begin again if the decisions made were incorrect.**
  - B. The problem is defined as clearly and precisely as possible.
  - C. The details are presented of every solution possible, including ideas that seem far-fetched.
  - D. The solution that best solves the problem is selected.

The six-step decision making process is (1) problem identification, (2) data collection, (3) solution generation, (4) solution test, (5) solution selection, and (6) solution implementation. The final step is where the solution solves the problem or, if wrong decisions were made, then the process begins again.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #41  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

42. When evaluating the six-step decision making process, what occurs during the problem identification step?
- A. The process will begin again if the decisions made were incorrect.
  - B. The problem is defined as clearly and precisely as possible.**
  - C. The details are presented of every solution possible, including ideas that seem far-fetched.
  - D. The solution that best solves the problem is selected.

The six-step decision making process is (1) problem identification, (2) data collection, (3) solution generation, (4) solution test, (5) solution selection, and (6) solution implementation. During the problem identification step, you must define the problem as clearly and precisely as possible.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #42  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

43. When evaluating the six-step decision making process, what occurs during the solution selection step?
- A. The process will begin again if the decisions made were incorrect.
  - B. The problem is defined as clearly and precisely as possible.
  - C. The details are presented of every solution possible, including ideas that seem far-fetched.
  - D.** The solution that best solves the problem is selected.

The six-step decision making process is (1) problem identification, (2) data collection, (3) solution generation, (4) solution test, (5) solution selection, and (6) solution implementation. During the solution selection step, you select the solution that best solves the problem and meets the needs of the business.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #43  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

44. When evaluating the six-step decision making process, what occurs during the solution test step?
- A. The process will begin again if the decisions made were incorrect.
  - B. The problem is defined as clearly and precisely as possible.
  - C. The details are presented of every solution possible, including ideas that seem far-fetched.
  - D.** None of these

The six-step decision making process is (1) problem identification, (2) data collection, (3) solution generation, (4) solution test, (5) solution selection, and (6) solution implementation. During the solution test step, you evaluate solution in terms of feasibility, suitability, and acceptability.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #44  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

45. Which of the following represents the structure of a typical organization?
- A. Flat line
  - B.** Pyramid
  - C. Circle
  - D. Cube

The structure of today's business organizations is typically a pyramid. At each level different types of information is used to assist the business with 1) decision-making, 2) problem solving, and 3) opportunity capturing.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #45  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

46. Which of the following represents the three different levels of a company pyramid from the top to the bottom?
- A. Managerial—strategic—operational
  - B. Strategic—managerial—operational**
  - C. Operational—managerial—strategic
  - D. Strategic—operational—managerial

The three different levels on the structure of a company pyramid are, from top to bottom, strategic—managerial—operational.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #46  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

47. Which of the following would you include as decisions and responsibilities typically found at the managerial level of a company?
- A. Monthly plans
  - B. Monthly budgets
  - C. Weekly schedule
  - D. All of these**

Some of the decisions and responsibilities of managerial level employees include short-term or medium-range plans, scheduling, budgeting, policies and procedures, and business objectives for the firm.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #47  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

48. Which of the following would you include as decisions and responsibilities typically found at the operational level of a company?
- A. Develop core business activities required to run the day-to-day operations
  - B. Control core business activities required to run the day-to-day operations
  - C. Maintain core business activities required to run the day-to-day operations
  - D. All of these**

At the operational structure level, employees develop, control, and maintain core business activities required to run the day-to-day operations.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #48  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

49. Data collection, solution generation, and solution implementation are all concepts associated with the \_\_\_\_\_.
- A. The six-step problem-solving process
  - B. The six-step decision-making process**
  - C. The four-step problem-solving process
  - D. The four-step decision-making process

The six-step decision-making process is (1) problem identification, (2) data collection, (3) solution generation, (4) solution test, (5) solution selection, and (6) solution implementation

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #49  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

50. Review the following key terms. Which one defines an operational decision that involves situations where established processes offer potential solutions?
- A. Optimization analysis decision
  - B. Artificial intelligence decision
  - C. Structured decision**
  - D. Unstructured decision

A structured decision involve situations where established processes offer potential solutions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #50  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

51. Review the following statements. Which one does not represent an example of a structured decision?
- A. Reordering inventory
  - B. Deciding to enter a new market**
  - C. Creating the employee weekly staffing schedule
  - D. Creating the employee weekly production schedule

Structured decisions are made frequently and are almost repetitive in nature; they affect short-term business strategies. Reordering inventory and creating the employee staffing and weekly production schedules are examples of routine structured decisions, where entering a new market is a type of unstructured decision.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #51  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions



52. Which of the following is not considered a part of decision making at the managerial level?
- A.** Developing overall business goals and objectives
  - B. Creating a short-term budget
  - C. Allocating resources to a department
  - D. Monitoring performance of a project team

At the managerial level, employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change. Managerial decisions cover short- and medium-range plans, schedules, and budgets, along with policies and procedures and business objectives for the firm.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #52  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

53. Which of the following key terms represents the types of decisions made at the operational, managerial, and strategic levels of a company?
- A. Structured decisions
  - B. Unstructured decisions
  - C. Semistructured decisions
  - D.** All of these

The three types of decisions made at the operational, managerial, and strategic levels are (1) structured decisions, (2) unstructured decisions, and (3) semistructured decisions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #53  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

54. The level where managers develop overall business strategies and monitor the performance of the organization and the competitive business environment is the \_\_\_\_\_ level.
- A. Operational
  - B.** Strategic
  - C. Managerial
  - D. Communications

At the strategic level, managers develop overall business strategies, goals, and objectives as part of the company's strategic plan. They also monitor the performance of the organization and its overall direction in the political, economic, and competitive business environment.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #54  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

55. Jenny Welch works at a retail store selling sports equipment. Her daily tasks include opening the store, creating the work schedules, processing payroll, overseeing sales and inventory, and training employees. At what level of the organizational pyramid would you categorize Jenny?
- A. Managerial
  - B. Operational
  - C. Strategic
  - D. Owner

Managerial-level duties include evaluating operations to hone the firm's abilities to identify, adapt to, and leverage change. They also cover schedules, budgets, policies, procedures, and business objectives.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #55  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

56. Andy Benton works at the local Starbucks coffee shop, and his responsibilities include taking orders, fulfilling orders, and ringing in sales. At what level of the organizational pyramid would you categorize Andy?
- A. Strategic
  - B. Owner
  - C. Operational
  - D. Managerial

At the operational level, employees develop, control, and maintain core business activities to run the day-to-day operations.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #56  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

57. Bill Schultz works at a high-power investment firm in Los Angeles. Bill is responsible for promoting the firm's vision and creating the companywide goals and strategies. He also monitors the overall strategic performance of the company and its direction for future business strategies. At what level of the organizational pyramid would you categorize Bill?
- A. Strategic
  - B. Owner
  - C. Operational
  - D. Managerial

At the strategic level, managers develop overall business strategies, goals, and objectives. They also monitor the strategic performance of the organization and its overall direction.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #57  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

58. Chuck Norris has been hired to oversee all of the plans that the city of Denver has created to expand its train transportation system by adding six more lines to the metro area. Chuck will be responsible for planning the project, managing the processes, and finalizing each new line as it is completed. How would you categorize the majority of the decisions Chuck will have to make to complete his job?
- A. Unstructured decisions
  - B. Semistructured decisions**
  - C. Structured decisions
  - D. Strategic decisions

Chuck will be faced with many semistructured decisions as he manages the transportation system expansion.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #58  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

59. CSFs and KPIs are two core metrics used to evaluate results and measure the progress of a project for a business. Which of the following represents the acronyms for CSF and KPI?
- A. Continual success factors and key performance indicators
  - B. Critical success factors and key project ideas
  - C. Customer success findings and key project ideas
  - D. Critical success factors and key performance indicators**

Critical success factors (CSFs) and key performance indicators (KPIs) are terms used when evaluating metrics or measuring a company's success.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #59  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

60. What are measurements that evaluate results to determine whether a project is meeting its goals?
- A. Models
  - B. Metrics**
  - C. Benchmarks
  - D. Genetic algorithms

Metrics are measurements that evaluate results to determine whether a project is meeting its goals.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #60  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

61. What are the crucial steps companies perform to achieve their goals and objectives and implement their strategies?
- A. Critical success factors
  - B. Crucial success factors
  - C. Key performance indicators
  - D. Key performance factors

Critical success factors are the crucial steps companies perform to achieve their goals and objectives and implement their strategies.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #61  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.  
Topic Area: Metrics Measuring Business Success

62. Which of the following is an example of a critical success factor?
- A. Increase customer satisfaction
  - B. Number of new customers
  - C. Number of new products
  - D. Percentage of employee turnover

CSF's include 1) create high-quality products, 2) retain competitive advantages, 3) reduce product costs, 4) increase customer satisfaction, and 5) hire and retain the best business professionals.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #62  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.  
Topic Area: Metrics Measuring Business Success

63. Which of the following statements is accurate?
- A. Key performance indicators can have no more than four critical success factors.
  - B. Critical success factors can have no more than four key performance indicators.
  - C. Key performance indicators can have several critical success factors.
  - D. Critical success factors can have several key performance indicators.

One CSF can have several KPIs.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #63  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.  
Topic Area: Metrics Measuring Business Success

64. Key performance indicators are the metrics a company uses to evaluate progress toward critical success factors. Which of the following represents a key performance indicator?
- A. Creation of high-quality products
  - B. Reduction of product costs
  - C. Percentage of help desk calls answered in the first minute**
  - D. Hiring the best business professionals

Examples of KPIs are (1) turnover rates of employees, (2) percentage of help desk calls answered in the first minute, (3) number of product returns, (4) number of new customers, and (5) average customer spending.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #64  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

65. CSFs and KPIs are the two core metrics used within a business to track progress or success. What is the relationship between CSFs and KPIs?
- A. CSFs are business strategy elements, where KPIs measure the progress of the CSFs.**
  - B. CSFs build the business environment, where KPIs explain how to build the CSFs.
  - C. KPIs are used first, where CSFs are applied after.
  - D. KPIs promote employees on their performance, where CSFs demote employees based on their performance level.

The relationship between CSFs and KPIs is critical for a business. Critical success factors (CSFs) are elements crucial for a business strategy's success, where key performance indicators (KPIs) measure the progress of the CSFs.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #65  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

66. Market share measures a firm's external performance relative to that of its competitors. Which of the following represents how a firm measures market share?
- A. Multiplying the firm's sales by the industries total sales
  - B. Dividing the firm's sales by the total market sales for the entire industry**
  - C. Subtracting your competitors sales from your total sales
  - D. Subtracting the industries total sales from the firm's total sales

To calculate market share, you divide the firm's sales by the total market sales for the entire industry.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #66  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

67. Anne-Marie Cole runs the sales division for a local auto insurance firm. One of her key duties is to calculate her company's market share. When evaluating the prior year numbers, she found that her firm achieved total sales of \$3 million and the entire industry had \$30 million in sales. What is Anne-Marie's current market share?
- A. 1%
  - B. 10%**
  - C. 18%
  - D. 20%

Market share is the proportion of the market that a firm captures. It is calculated by dividing the firm's sales by the total market sales for the entire industry. Thus, 3 million divided by 30 million is 10 percent.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #67  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

68. Anne-Marie Cole runs the sales division for a local auto insurance firm. One of her key duties is to ensure the company has 10 percent market share by the end of the year. When evaluating the current sales numbers she determines that her sales division has total sales of \$3 million and the entire industry has total sales of \$50 million. What additional sales must Anne-Marie's division meet to ensure they have 10 percent of the market by the end of the year?
- A. \$1 million
  - B. \$2 million**
  - C. \$5 million
  - D. \$10 million

Market share is the proportion of the market that a firm captures. It is calculated by dividing the firm's sales by the total market sales for the entire industry. Thus, 10 percent of \$50 million is \$5 million. Since Anne-Marie already has \$3 million, she needs an additional \$2 million in sales.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #68  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

69. What type of measurement is using market share as a KPI?
- A. Fuzzy logic measurement
  - B. External measurement**
  - C. Neural network measurement
  - D. Internal measurement

A common external KPI is market share.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #69  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

70. Which of the following represents an internal KPI that indicates the earning power of a project?
- A. Market share
  - B. Return on intelligent
  - C. Sensitivity analysis
  - D.** Return on investment

An internal KPI that indicates the earning power of a project is return on investment or ROI.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #70  
Blooms: Remember  
Difficulty: 1 Easy  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.  
Topic Area: Metrics Measuring Business Success

71. Todd Haitz is the marketing manager for the National Basketball Association. Todd analyzes and tracks his marketing campaigns to determine the best success rate per project for increasing ticket sales. Todd uses an internal KPI to track his marketing campaign success. Which of the following would be an internal KPI Todd would use to track his marketing campaigns?
- A.** Marketing campaign ROI
  - B. Marketing campaign percentage of fans purchasing *Sports Illustrated* magazine
  - C. Marketing campaign advertiser revenue sales
  - D. Marketing campaign market share

Todd would use ROI as an internal KPI.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #71  
Blooms: Analyze  
Difficulty: 3 Hard  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.  
Topic Area: Metrics Measuring Business Success

72. What could a manager use to measure the success of an MIS project?
- A.** Effectiveness MIS metrics, efficiency MIS metrics
  - B. Effectiveness MIS metrics, expert MIS metrics
  - C. Expert MIS metrics, executive MIS metrics
  - D. All of these

MIS projects can be difficult to measure, so therefore, managers utilize the higher-level metrics such as efficiency and effectiveness metrics.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #72  
Blooms: Remember  
Difficulty: 1 Easy  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.  
Topic Area: Metrics Measuring Business Success

73. What type of metrics measure throughput, transaction speed, and system availability?  
**A.** Efficiency MIS metrics  
B. Effectiveness MIS metrics  
C. ROI  
D. Benchmarks

Efficiency MIS metrics measure throughput, speed, and availability.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #73  
Blooms: Remember  
Difficulty: 1 Easy  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success

Topic Area: Metrics Measuring Business Success

74. What types of metrics measure customer satisfaction?  
A. Efficiency MIS metrics  
**B.** Effectiveness MIS metrics  
C. Both efficiency and effectiveness MIS metrics  
D. Both ROI and market share

Effectiveness MIS metrics measure customer satisfaction.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #74  
Blooms: Remember  
Difficulty: 1 Easy  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success

Topic Area: Metrics Measuring Business Success

75. According to Peter Drucker, what are managers who do things right addressing?  
**A.** Efficiency  
B. Effectiveness  
C. Both efficiency and effectiveness  
D. Customer satisfaction only

"Doing things right" addresses efficiency.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #75  
Blooms: Remember  
Difficulty: 1 Easy  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success

Topic Area: Metrics Measuring Business Success

76. According to Peter Drucker, what are managers who do the right things addressing?  
A. Efficiency  
**B.** Effectiveness  
C. Both efficiency and effectiveness  
D. Customer satisfaction only

"Doing the right things" addresses effectiveness.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #76  
Blooms: Remember  
Difficulty: 1 Easy  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success

Topic Area: Metrics Measuring Business Success



77. Which of the following is a type of effectiveness MIS metric?
- A. Transaction speed
  - B. System availability
  - C. Usability**
  - D. Throughput

Usability is an effectiveness MIS metric.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #77  
Blooms: Remember  
Difficulty: 1 Easy  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success

Topic Area: Metrics Measuring Business Success

78. Which of the following is a type of efficiency MIS metric?
- A. Customer satisfaction
  - B. Conversion rates
  - C. Financial transactions
  - D. Web traffic**

Web traffic is an efficiency MIS metric.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #78  
Blooms: Remember  
Difficulty: 1 Easy  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success

Topic Area: Metrics Measuring Business Success

79. Which term is used to describe the ease with which people perform transactions and/or find information?
- A. Usability**
  - B. Customer satisfaction
  - C. Financial
  - D. Conversion rates

This is the definition of usability.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #79  
Blooms: Remember  
Difficulty: 1 Easy  
of MIS projects.

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success

Topic Area: Metrics Measuring Business Success

80. What is measured by such benchmarks as satisfaction surveys, percentage of existing customers retained, and increases in revenue dollars per customer?
- A. Usability
  - B. Customer satisfaction**
  - C. Financial
  - D. Conversion rates

This is the definition of customer satisfaction.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #80  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

81. What would a company like eBay or Amazon be constantly benchmarking?
- A. MIS efficiency
  - B. MIS effectiveness
  - C. MIS efficiency and MIS effectiveness**
  - D. Usability metrics only

eBay and Amazon depend on MIS for business and constantly monitor and measures both efficiency and effectiveness MIS metrics to ensure success.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #81  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

82. When considering the graph depicting the interrelationships between efficiency and effectiveness, where does an organization ideally want to operate?
- A. Upper right-hand corner**
  - B. Lower right-hand corner
  - C. Upper left-hand corner
  - D. Lower left-hand corner

The upper right-hand corner is the ideal place for an organization to operate.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #82  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

83. Which of the following would efficiency MIS metrics measure?
- A. Response time
  - B. System availability
  - C. Transaction speed
  - D. All of these**

Common types of efficiency metrics are (1) throughput, (2) transaction speed, (3) system availability, (4) information accuracy, and (5) response time.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #83  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

84. Which of the following are the four common types of effectiveness MIS metrics?
- A. Unstructured decisions, customer satisfaction, conversion rates, financial
  - B. Usability, customer service, conversion rates, fiscal year revenue
  - C. Usability, customer satisfaction, conversion rates, financial**
  - D. Usability, customer satisfaction, conversion rates, affordability

When analyzing the efficiency and effectiveness metrics chart, the four examples of common types of effectiveness metrics are (1) usability, (2) customer satisfaction, (3) conversion rates, and (4) financial.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #84  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

85. Drew Savage is an MIS manager for an international consulting firm. Drew travels to different European countries, where he implements news response tracking systems. Some of the metrics he uses to track the performance of his system include tracking the response time it takes to respond to Twitter posts mentioning the news station, as well as the speed and accuracy of content posted on numerous websites and social media sites. What type of metrics is Drew using to measure his system?
- A. Customer satisfaction metrics
  - B. Efficiency metrics**
  - C. Effectiveness metrics
  - D. Benchmarking metrics

Efficiency metrics include (1) throughput, (2) transaction speed, (3) system availability, (4) information accuracy, and (5) response time.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #85  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

86. Efficiency MIS metrics focus on the extent to which a firm is using its resources in an optimal way, while effectiveness MIS metrics focus on \_\_\_\_\_.  
A. Understanding how successful a firm is at achieving its goals and objectives  
B. Analyzing if a firm is doing the right things  
C. Setting the right goals and ensuring they are accomplished  
**D. All of these**

Efficiency MIS metrics focus on the extent to which a firm is using its resources in an optimal way, doing things right, and getting the most from each resource. Effectiveness MIS metrics focus on how well a firm is achieving its goals and objectives, doing the right things, setting the right goals and objectives, and ensuring they are accomplished.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #86  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

87. Which of the following describes the efficiency MIS metric of throughput?  
A. The number of hours a system is available for users  
B. The time it takes to respond to user interactions such as a mouse click  
**C. The amount of information that can travel through a system at any point in time**  
D. The ease with which people perform transactions and/or find information

Within the efficiency metrics, throughput is the amount of information that can travel through a system at any point in time.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #87  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

88. Which of the following tracks the number of customers an organization touches for the first time and persuades to purchase its products or services?  
A. Customer satisfaction  
B. Usability  
**C. Conversion rates**  
D. Financial

The effectiveness metric that tracks the number of customers an organization touches for the first time and persuades to purchase its products or services is conversion rates.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #88  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

89. What do usability effectiveness MIS metrics measure?
- A.** The ease with which people perform transactions and find information
  - B. The number of customers an organization "touches" for the first time and persuades to purchase its products or services
  - C. The amount of time a system takes to perform a transaction
  - D. The number of hours a system is available for users

The usability effectiveness metrics measure the ease with which people perform transactions and find information.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #89  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

90. A common mistake that many managers tend to make is focusing on only one type of metrics because they are easier to measure. Which type of metrics do they focus on?
- A. Effectiveness MIS metrics
  - B.** Efficiency MIS metrics
  - C. Endurance MIS metrics
  - D. Product sales metrics

A common mistake that many managers tend to make is focusing on efficiency MIS metrics because they are easier to measure.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #90  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

91. When analyzing the interrelationships between efficiency and effectiveness, where would a company ideally want to operate?
- A. With high efficiency
  - B. The upper right-hand corner of the interrelationship graph
  - C. With high effectiveness
  - D.** All of these

When analyzing the interrelationships between efficiency and effectiveness, a company ideally wants to operate in the upper right-hand corner of the interrelationship graph, where they see significant increases in efficiency and effectiveness metrics.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #91  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

92. What is the process of continuously measuring system results, comparing those results to optimal system performance, and identifying steps and procedures to improve system performance?
- A.** Benchmarking
  - B. Bottlenecking
  - C. Consolidation
  - D. Cycle time

The process of continuously measuring system results, comparing those results to optimal system performance, and identifying steps and procedures to improve system performance is benchmarking.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #92  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.  
Topic Area: Metrics Measuring Business Success

93. Which of the following is not included as part of a benchmark?
- A. Benchmarks help assess how an MIS project performs over time.
  - B. When measured against MIS projects, benchmarks can provide feedback so managers can control the system.
  - C. Benchmarks help to establish baseline values the system seeks to attain.
  - D.** Benchmarks perform All of these.

The role of benchmarks within a company include (1) to help assess how an MIS project performs over time; (2) when measured against MIS projects, to provide feedback so managers can control the system; and (3) to establish baseline values the system seeks to attain.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #93  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.  
Topic Area: Metrics Measuring Business Success

94. As a manager for your company, some of your responsibilities include measuring metrics and overseeing company strategies. You observe some critical success factors and see large increases in productivity. What would you suspect would be the primary reason for the large increases in productivity?
- A. Decreases in effectiveness
  - B.** Increases in effectiveness
  - C. Increases in executive roles
  - D. Decreases in efficiency

Large increases in productivity typically result from increases in effectiveness, which focus on critical success factors.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #94  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.  
Topic Area: Metrics Measuring Business Success

95. Which of the following represents the top-down (executives to analysts) organizational levels of information technology systems?
- A. TPS, DSS, EIS
  - B. DSS, TPS, EIS
  - C. EIS, DSS, TPS**
  - D. None of these, it varies from organization to organization.

Executive information systems, decision support systems, and transaction processing systems are the top-down organizational levels of information technology systems.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #95  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
Topic Area: Support Enhancing Decision Making with MIS

96. Which of the following is an incorrect enterprise view of information technology?
- A. Processes are analytical for executives and transactional for analysts.
  - B. Granularity is coarse for executives and fine for analysts.
  - C. Processing is OLTP for executives and OLAP for analysts.**
  - D. None of these.

Processing is OLAP for executives and OLTP for analysts.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #96  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
Topic Area: Support Enhancing Decision Making with MIS

97. What can a model accomplish?
- A. Calculate risks
  - B. Understand uncertainty
  - C. Manipulate time
  - D. All of these**

A model can do All of these.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #97  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
Topic Area: Support Enhancing Decision Making with MIS

98. What is consolidation?
- A.** Involves the aggregation of information and features simple roll-ups to complex groupings of interrelated information
  - B. The ability to look at information from different perspectives
  - C. Enables users to get details, and details of details, of information
  - D. Finds the inputs necessary to achieve a goal such as a desired level of output

This is the definition of consolidation.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #98  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

99. What is drill-down capability?
- A. Involves the aggregation of information and features simple roll-ups to complex groupings of interrelated information
  - B. The ability to look at information from different perspectives
  - C.** Enables users to get details, and details of details, of information
  - D. Finds the inputs necessary to achieve a goal such as a desired level of output

This is the definition of drill-down.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #99  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

100. What is slice-and-dice capability?
- A. Involves the aggregation of information and features simple roll-ups to complex groupings of interrelated information
  - B.** The ability to look at information from different perspectives
  - C. Enables users to get details, and details of details, of information
  - D. Finds the inputs necessary to achieve a goal such as a desired level of output

This is the definition of slice-and-dice.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #100  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*



101. What compiles information from multiple sources and tailors it to meet user needs?
- A. Drill-down
  - B. Sensitivity analysis
  - C. What-if analysis
  - D.** Digital dashboard

This is the definition of digital dashboards.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #101  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

102. What are various commercial applications of artificial intelligence?
- A. Drill-down
  - B. Sensitivity analysis
  - C. Digital dashboard
  - D.** Intelligent system

This is the definition of intelligent systems.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #102  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*  
*Topic Area: The Future Artificial Intelligence*

103. What is a category of AI that attempts to emulate the way the human brain works?
- A. Intelligent system
  - B. Artificial intelligence
  - C. Expert systems
  - D.** Neural network

This is the definition of neural network.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #103  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*  
*Topic Area: The Future Artificial Intelligence*

104. Which of the following is the most commonly used form of AI in the business arena?
- A. Intelligent system
  - B. Artificial intelligence
  - C.** Expert system
  - D. Neural network

Expert systems are the most common.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #104  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*  
*Topic Area: The Future Artificial Intelligence*

105. What is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users?
- A. Intelligent system
  - B. Artificial intelligence
  - C. Neural network
  - D.** Intelligent agent

This is the definition of intelligent agent.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #105  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

106. What do cargo transport systems, book distribution centers, the video game market, a flu epidemic, and an ant colony have in common?
- A. They are all expert systems and thus share some characteristics.
  - B. They are all genetic algorithm systems and thus share some characteristics.
  - C. They are all neural network systems and thus share some characteristics.
  - D.** They are all complex adaptive systems and thus share some characteristics.

They are all complex adaptive systems and thus share some characteristics.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #106  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

107. Which industry has been relying on neural network technology for more than two decades?
- A. Food service
  - B. Hotels
  - C.** Finance
  - D. Health care

Finance has been relying on neural network technology for more than two decades.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #107  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

108. Which type of AI system assigns values of 0 and 1 to vague or ambiguous information?
- A. Genetic algorithms
  - B. Artificial intelligence
  - C.** Fuzzy logic
  - D. Intelligent agents

Fuzzy logic systems assign values of 0 and 1 to vague and ambiguous information.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #108  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

109. What is a simplified representation or abstraction of reality?

- A.** Model
- B. Metric
- C. Redundancy
- D. Sensitivity Analysis

A simplified representation or abstraction of reality is a model.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #109  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

110. What can a manager use a model to do?

- A. Calculate risk
- B. Change variables
- C. Understand uncertainty
- D.** All of these

Models help managers calculate risks, understand uncertainty, change variables, and manipulate time to make decisions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #110  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

111. What would managers use to make structured decisions at the operational level?

- A.** Transactional information
- B. Analytical information
- C. An EIS system
- D. Intelligent system

Transactional information is the basic business system that serves the operational level (analysts) and assists in making structured decisions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #111  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

112. Which of the following would create transactional information?
- A. Projecting future sales growth
  - B. Making an airline reservation**
  - C. A semistructured decision to hire more employees
  - D. Generating payroll reports

Transactional information is created, for example, when customers are purchasing stocks, making an airline reservation, or withdrawing cash from an ATM.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #112  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.  
Topic Area: Support Enhancing Decision Making with MIS

113. What are the three primary types of management information systems available to support decision making across the company levels?
- A. Transaction processing systems, decision support systems, executive information systems**
  - B. Analytical information, decision support systems, executive information systems
  - C. Transaction processing systems, drill-down systems, expert systems
  - D. What-if analysis, sensitivity analysis, goal-seeking analysis

The three primary types of management information systems available to support decision making across the company levels are (1) transaction processing systems, (2) decision support systems, and (3) executive information systems.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #113  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.  
Topic Area: Support Enhancing Decision Making with MIS

114. A transaction processing system (TPS) is the basic business system that assists operational-level analysts when making structured decisions. Which of the following is not an example of a TPS?
- A. Target's internal company payroll system
  - B. Comfort Dental patient diagnosis system**
  - C. First Bank's overall accounting system
  - D. Stewart Sport's order entry system

A transaction processing system (TPS) is the basic business system that assists operational-level analysts to make structured decisions. The most common examples of a TPS include (1) a company payroll system, (2) an operational accounting system, and (3) an order entry system. Example B is an example of a DSS or decision support system.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #114  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.  
Topic Area: Support Enhancing Decision Making with MIS

115. What is the flow that a systems thinking approach using a TPS would follow?
- A. Streamlining (input)—CRUD, calculate (process)—reports (output)
  - B. Source documents (input)—optimization analysis (process)—(feedback)—(output)
  - C. Source documents (input)—CRUD, calculate (process)—reports (output)—(feedback)**
  - D. Selling documents (input)—cycle time (process)—reports (output)—(feedback)

A transaction processing system, or TPS, is the basic business system that assists operational-level analysts to make structured decisions. An example of the process of a systems thinking utilizing a TPS follows this flow is (1) source documents (input), (2) CRUD, calculate, summarize (process), (3) reports (output), and (4) feedback.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #115  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
Topic Area: Support Enhancing Decision Making with MIS

116. Online transaction processing (OLTP) is the capturing of transaction and event information using technology to \_\_\_\_\_.
- A. Update existing information to reflect the new information
  - B. Store the information
  - C. Process the information according to defined business rules
  - D. All of these**

Online transaction processing (OLTP) is the capture of transaction and event information using technology to (1) update existing information to reflect the new information, (2) store the information, and (3) process the information according to defined business rules.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #116  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
Topic Area: Support Enhancing Decision Making with MIS

117. Which of the following does not represent an example of analytical information?
- A. Trends and product statistics
  - B. Unstructured long-term decisions**
  - C. Five-year sales report
  - D. Future growth projections

Examples of analytical information are trends, sales, product statistics, and future growth projections. Managers use analytical information when making important semistructured decisions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #117  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
Topic Area: Support Enhancing Decision Making with MIS

118. Decision support systems, or DSSs, model information using OLAP, which provides assistance in evaluating and choosing among different courses of action. Which of the following does not represent an example of a DSS in business?
- A. An insurance company using a system to gauge risk of providing insurance to drivers who have imperfect driving records
  - B. A medical doctor entering symptoms into a system to aid in diagnosing and treating patients
  - C. A manufacturing digital dashboard showing visualizations of inventory and production**
  - D. A dentist entering symptoms into a system to help diagnose and treat patients

Decision support systems model information using OLAP, which provides assistance in evaluating and choosing among different courses of action. Examples include (A) an insurance company using DSSs to gauge risk of providing insurance to drivers who have imperfect driving records, and (B) and (D) a medical doctor or dentist may enter symptoms into a DSS to aid them in diagnosing and treating patients.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #118  
Blooms: Analyze  
Difficulty: 3 Hard

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*

*Topic Area: Support Enhancing Decision Making with MIS*

119. What is the MIS system that manipulates information to create business intelligence in support of strategic decision making?
- A. Online transaction processing (OLTP)
  - B. Online analytical processing (OLAP)**
  - C. Digital dashboard
  - D. Visualization

Online analytical processing (OLAP) is the manipulation of information to create business intelligence in support of strategic decision making.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #119  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*

*Topic Area: Support Enhancing Decision Making with MIS*

120. When viewing systems thinking, source documents are the original transaction records. What would the source documents for a medical doctor's payroll system include?
- A. Employee time sheets
  - B. Employee benefit reports
  - C. Employee wage rates
  - D. All of these**

When viewing systems thinking, source documents are the original transaction records. Source documents for a medical doctor's payroll system, for example, would include (1) employee time sheets, (2) employee benefit reports, and (3) wage rates.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #120  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*

*Topic Area: Support Enhancing Decision Making with MIS*

121. Which of the following represent the four main DSS analysis techniques outlined in the chapter?
- A.** What-if analysis, sensitivity analysis, goal-seeking analysis, optimization analysis
  - B. Workflow analysis, sensitivity analysis, growth analysis, organizational analysis
  - C. What-if analysis, structured analysis, goal-seeking analysis, optimization analysis
  - D. What-if analysis, sensitivity analysis, growth analysis, organizational analysis

The four main DSS analysis techniques outlined in the chapter are (1) what-if analysis, (2) sensitivity analysis, (3) goal-seeking analysis, and (4) optimization analysis.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #121  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.  
Topic Area: Support Enhancing Decision Making with MIS

122. Tom Watson is a manager for a McDonald's restaurant. Many of his key responsibilities include analyzing data and making key decisions for the success of his store. Tom's store has been experiencing decreased sales for breakfast services over the past 3 months. Tom is unsure why breakfast revenues are down while lunch and dinner revenues remain unchanged. Tom believes that he can drive revenue up by implementing a few different breakfast promotions, such as free coffee or hash browns with the purchase of a meal. Tom performs an extensive analysis of how continuous changes in breakfast promotions could affect his daily revenue. What type of DSS analysis is Tom performing?
- A. Optimization analysis
  - B.** Sensitivity analysis
  - C. Transaction analysis
  - D. Goal-seeking analysis

Sensitivity analysis is a special case of what-if analysis—the study of the impact on other variables when one variable is changed repeatedly. For example, changing revenue in small increments to determine its effects on other variables would help a manager understand the impact of various revenue levels on other decision factors.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #122  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.  
Topic Area: Support Enhancing Decision Making with MIS

123. What is the DSS analysis that checks the impact of a change in a variable or assumption on the model?
- A. Optimization analysis
  - B. Goal-seeking analysis
  - C. Sensitivity analysis
  - D.** What-if analysis

A what-if analysis checks the impact of a change in a variable or assumption on the model.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #123  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.  
Topic Area: Support Enhancing Decision Making with MIS

124. Online transaction processing (OLTP) and online analytical processing (OLAP) are similar MIS strategies used to help with business decision making. What is the primary difference between OLTP and OLAP?
- A. OLTP is used at the operational level; OLAP is used at the managerial level.
  - B. OLTP is used to capture transactional and event data; OLAP is used to manipulate information.
  - C. OLTP is used to support structured decisions; OLAP is used to support semistructured decisions.
  - D.** All of these.

Online transaction processing (OLTP) is the capturing of transaction and event information using technology to (1) process the information according to defined business rules, (2) store the information, and (3) update existing information to reflect the new information. It is used at the operational level and to support structured decisions. Online analytical processing (OLAP) is the manipulation of information to create business intelligence in support of strategic decision making. It is used at the managerial level and to support semistructured decisions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #124  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*

*Topic Area: Support Enhancing Decision Making with MIS*

125. An optimization analysis finds the optimum value for a target variable by repeatedly changing other variables, subject to specified constraints. What can a manager determine by changing revenue and cost variables in an optimization analysis?
- A.** Calculate the highest potential profits
  - B. Calculate employee benefit payments
  - C. Use this as an extension for a digital dashboard
  - D. Create production schedules

An optimization analysis finds the optimum value for a target variable by repeatedly changing other variables, subject to specified constraints. By changing revenue and cost variables in an optimization analysis, managers can calculate the highest potential profits.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #125  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*

*Topic Area: Support Enhancing Decision Making with MIS*

126. What is the analysis that works in reverse to what-if and sensitivity analysis by finding the inputs necessary to achieve a goal such as a desired level of output?
- A. Solutions-based analysis
  - B. Optimization system
  - C.** Goal-seeking analysis
  - D. Revenue analysis

A goal-seeking analysis works in reverse to what-if and sensitivity analysis and finds the inputs necessary to achieve a goal such as a desired level of output.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #126  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*

*Topic Area: Support Enhancing Decision Making with MIS*



127. Decision making at the executive or strategic level require business intelligence and knowledge to support the uncertainty and complexity of the business. What is a specialized DSS that supports senior-level executives and unstructured decisions requiring judgment, evaluation, and insight?
- A. OLTP
  - B. Executive information system (EIS)**
  - C. Transaction support system (TSS)
  - D. Decision support system (DSS)

An EIS, or an executive information system, is a specialized DSS that supports senior-level executives and unstructured, long-term, nonroutine decisions requiring judgment, evaluation, and insight.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #127  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

128. Executives of a company deal less with details of the operational activities and deal more with the higher meaningful aggregations of information or "coarser" information. What refers to the level of detail in the model?
- A. Drill-down
  - B. Visualization
  - C. Granularity**
  - D. Consolidation

Granularity refers to the level of detail in the model or the decision-making process.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #128  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

129. How does a DSS typically differ from an EIS?
- A. An EIS requires data from external sources to support unstructured decisions, where a DSS typically uses internal sources to support semistructured decisions.**
  - B. A DSS typically uses external sources, and EIS use internal sources to support decisions.
  - C. A DSS never uses external sources.
  - D. An EIS always uses internal sources to support structured decisions.

A DSS (decision support system) differs from an EIS (executive information system) primarily because an EIS requires data from external sources to support unstructured decisions, where a DSS typically uses internal sources to support semistructured decisions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #129  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

130. What is a graphical display of patterns and complex relationships in large amounts of data?  
**A.** Visualization  
B. Model  
C. Table  
D. Digital spreadsheet

Visualizations produce graphical displays of patterns and complex relationships in large amounts of data.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #130  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

131. What is a common tool that is used to support visualizations and tracks KPIs and CSFs by compiling information from multiple sources?  
A. Models  
**B.** Digital dashboards  
C. Neural networks  
D. Verified graphs

Digital dashboards track KPIs and CSFs by compiling information from multiple sources and tailoring it to meet user needs.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #131  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

132. Which of the following is offered by a digital dashboard?  
A. Consolidation  
B. Drill-down  
C. Slice-and-dice  
**D.** All of these

Digital dashboards offer (1) consolidation, (2) drill-down, and (3) slice-and-dice capabilities.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #132  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

133. Which of the following would not be found in a digital dashboard for a manufacturing team?
- A. A graph of stock market prices
  - B. A running line graph of planned versus actual production for the past 24 hours
  - C. An Excel spreadsheet with cost analysis data**
  - D. A hot list of key performance indicators, refreshed every 15 minutes

Examples of potential features included in a dashboard designed for a manufacturing team include (1) a hot list of key performance indicators, refreshed every 15 minutes; (2) a running line graph of planned versus actual production for the past 24 hours; (3) a table showing actual versus forecasted product prices and inventories; (4) a list of outstanding alerts and their resolution status; and (5) a graph of stock market prices.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #133  
Blooms: Understand  
Difficulty: 2 Medium

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

134. As the product manager for the eatery division at Whole Foods, Jerry is responsible for analyzing sales data to help him manage his team. Today, Jerry is analyzing his data using many different perspectives to identify different ways to improve his division. Which of the following common digital dashboard capabilities is Jerry using to analyze his department's success?
- A. Slice-and-dice**
  - B. Competitive tables
  - C. Drill-down
  - D. Consolidation

Slice-and-dice is the ability to look at information from different perspectives.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #134  
Blooms: Analyze  
Difficulty: 3 Hard

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

135. As the product manager for the eatery division at Whole Foods, Jerry is responsible for analyzing sales data to help him manage his team. Today, Jerry is analyzing his data using aggregation techniques allowing him to see simple roll-ups to complex groupings of interrelated information. Which of the following common digital dashboard capabilities is Jerry using to analyze his departments success?
- A. Slice-and-dice
  - B. Competitive tables
  - C. Drill-down
  - D. Consolidation**

Consolidation is the aggregation of data from simple roll-ups to complex groupings of interrelated information.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #135  
Blooms: Analyze  
Difficulty: 3 Hard

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

136. As the product manager for the eatery division at Whole Foods, Jerry is responsible for analyzing sales data to help him manage his team. Today, Jerry is analyzing his data by looking at details, and details of details, of information. Which of the following common digital dashboard capabilities is Jerry using to analyze his departments success?
- A. Slice-and-dice
  - B. Competitive tables
  - C. Drill-down**
  - D. Consolidation

Drill-down enables users to view details, and details of details, of information.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #136  
Blooms: Analyze  
Difficulty: 3 Hard

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

137. Van Lines Inc. is a large corporation operating in all 50 states. Jim Poulous is the regional manager overseeing the western division, which includes Utah, Colorado, Idaho, Montana, Wyoming, and Nevada. Jim receives data from his managers in each state, which he loads into his digital dashboard for analysis of his entire western division. What digital dashboard capability is Jim primarily using?
- A. Drill-down
  - B. Slice-and-dice
  - C. Intelligent system
  - D. Consolidation**

Consolidation is the aggregation of data from simple roll-ups to complex groupings of interrelated information. For example, data for different sales regions can then be rolled up to a regional level.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #137  
Blooms: Analyze  
Difficulty: 3 Hard

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*  
*Topic Area: Support Enhancing Decision Making with MIS*

138. Artificial intelligence stimulates human thinking and behavior, such as the ability to reason and learn. What is the ultimate goal of AI?
- A. To build an intelligent system
  - B. To build an intelligent agent
  - C. To build a system that can mimic human intelligence**
  - D. To build a system that can mimic an expert agent

The ultimate goal of AI is to build a system that can mimic human intelligence.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #138  
Blooms: Remember  
Difficulty: 1 Easy

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*  
*Topic Area: The Future Artificial Intelligence*

139. Which of the following is an example of an intelligent system?
- A. The Firefighter Robot that can extinguish flames at chemical plants
  - B. Shell Oil's Smart Pump robot that pumps gas for the customer
  - C. A robot that cleans and sweeps at a local airport
  - D.** All of these

Intelligent systems are various commercial applications of artificial intelligence. They perform numerous business functions: (1) performed tasks boost productivity in factories by monitoring equipment and signaling when preventive maintenance is required; (2) at Manchester Airport, the robot cleaner alerts passengers to security, nonsmoking areas and cleans the floors daily; (3) Shell Oil's Smart Pump keeps drivers in their cars, while the robot pumps gas; (4) Matsushita's courier robot navigates hospital hallways, delivering files and supplies; and (5) the Firefighter Robot extinguishes flames at chemical plants.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #139  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

140. Which of the following does not represent a category of AI?
- A. Genetic algorithms
  - B. Neural networks
  - C. Expert systems
  - D.** Consolidation

The five most familiar AI systems are (1) expert systems, (2) neural networks, (3) genetic algorithms, (4) intelligent agents, and (5) virtual reality. Consolidation is a category of a digital dashboard.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #140  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

141. What is a system that uses computerized advisory programs to imitate the reasoning processes of experts in solving difficult problems?
- A.** Expert system
  - B. Virtual reality
  - C. Neural network
  - D. Genetic algorithm

A system that uses computerized advisory programs to imitate the reasoning processes of experts in solving difficult problems is an expert system.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #141  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

142. Which of the following categories of AI is used extensively in the finance industry to analyze situations where the logic or rules are unknown?
- A. Expert system
  - B. Virtual reality
  - C. Neural network**
  - D. Genetic algorithm

The finance industry is a veteran in the use of neural networks to emulate the way the human brain works by analyzing large quantities of information to establish patterns and characteristics in situations where the logic or rules are unknown.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #142  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

143. Which of the following is not a feature of a neural network?
- A. Neural networks can cope with huge volumes of information with many variables.
  - B. Neural networks can function without complete or well-structured information.
  - C. Neural networks can analyze linear relationships only.**
  - D. Neural networks can learn and adjust to new circumstance on their own.

Neural networks' many features include (1) learning and adjusting to new circumstances on their own, (2) learning and adjusting to new circumstances on their own, (3) functioning without complete or well-structured information, (4) coping with huge volumes of information with many dependent variables, and (5) analyzing nonlinear relationships in information.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #143  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

144. What is the mathematical method of handling imprecise or subjective information?
- A. Fuzzy logic**
  - B. Virtual reality
  - C. Expert system
  - D. Genetic algorithm

mathematical method of handling imprecise or subjective information is fuzzy logic.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #144  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

145. Sears department stores used to plant employees in competitor stores to perform research and analysis. Recently, the company implemented a system that can search competitor websites and provide comparisons of price, promotions, and availability, and the system is saving time, money, and resources. What type of system did Sears implement?
- A. Shopping algorithm
  - B. Shopping network
  - C. Shopping logic
  - D.** Shopping bot

A shopping bot is software that will search several retailer websites and provide a comparison of each retailer's offerings, including price and availability.

*AACSB: Reflective Thinking*

*AACSB: Technology*

*Baltzan - Chapter 02 #145*

*Blooms: Analyze*

*Difficulty: 3 Hard*

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*

*Topic Area: The Future Artificial Intelligence*

146. What is the process of learning from ecosystems and adapting their characteristics to human and organization situations?
- A. Data collection
  - B. Artificial intelligence
  - C.** Biomimicry
  - D. Intelligent system

Biomimicry is the process of learning from ecosystems and adapting their characteristics to human and organization situations.

*AACSB: Reflective Thinking*

*AACSB: Technology*

*Baltzan - Chapter 02 #146*

*Blooms: Understand*

*Difficulty: 2 Medium*

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*

*Topic Area: The Future Artificial Intelligence*

147. Which of the following is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users?
- A.** Intelligent agent
  - B. Executive agent
  - C. Expert agent
  - D. Modeling system

Intelligent agent is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users.

*AACSB: Reflective Thinking*

*AACSB: Technology*

*Baltzan - Chapter 02 #147*

*Blooms: Remember*

*Difficulty: 1 Easy*

*Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.*

*Topic Area: The Future Artificial Intelligence*

148. Which of the following offers a disadvantage for working virtually?
- A. Increases in worker productivity
  - B. Increases in feelings of seclusion**
  - C. Decreases in expenses for the company
  - D. Alleviation of congested roadways

The advantages to working virtually are increases in worker productivity; decreases in real estate expenses for the company; and fewer cars on the roads, thus alleviating the congested roadways. Disadvantages include fear among workers that they will jeopardize their careers by working from home; the inability of some workers to stay productive; and the tendency for virtual workers to feel alone, secluded, and deprived of vital training and mentoring.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #148  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

149. What is an optimizing system that can find and evaluate solutions with many more possibilities, faster and more thoroughly than a human?
- A. Genetic algorithm**
  - B. Expert system
  - C. Intelligent agent
  - D. Virtual reality

The artificial intelligence system that is an optimizing system that can find and evaluate solutions with many more possibilities, faster and more thoroughly than a human is genetic algorithm.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #149  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

150. Bob Silver loves playing a game called World of Warcraft, where he has the capability to create his own character and even his own life-like environment. Which AI system would you use to categorize World of Warcraft?
- A. Multi-agent system
  - B. Expert system
  - C. Virtual reality**
  - D. Fuzzy logic system

Virtual reality a computer-simulated environment that can be a simulation of the real world or an imaginary world. It is a fast-growing area of AI that had its origins in efforts to build more natural, realistic, multisensory human-computer interfaces.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #150  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence



151. Which of the following offers an example of an intelligent agent that uses a multi-agent system?
- A. A cargo transport system
  - B. Book distribution center
  - C. A flu epidemic
  - D.** All of these

An intelligent agent that utilizes a multi-agent system includes (1) a cargo transport system, (2) book distribution centers, (3) the video game market, and (4) a flu epidemic; they are all complex adaptive systems.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #151  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

152. What types of business decisions would an EIS use AI for?
- A. Semistructured decisions
  - B. Multistructured decisions
  - C. Structured decisions
  - D.** Unstructured decisions

Executive information systems are utilizing artificial intelligence to support unstructured strategic decision making.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #152  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

153. Which of the following business ideas is not using AI?
- A.** Best Buy implements a software system that will determine how many customers are needed to increase gross profits to \$5 million.
  - B. McDonald's unveils a robot that cleans and tidies the restaurant, while also asking guests if it can take their trays to the trash.
  - C. Starbucks creates a system that works like a hand and lifts and moves the mixing pots for the coffees to and from the coffee machines to the counters.
  - D. Golf courses create an automated golf cart that can offer swing suggestions, club suggestions, and even navigate the course for the driver.

Artificial Intelligence simulates human thinking and behavior such as the ability to reason and learn. Its ultimate goal is to build a system that can mimic human intelligence.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #153  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

154. Which of the following business processes would you find in the marketing and sales division?
- A. Ordering inventory
  - B. Enrolling employees in health care benefits
  - C. Promoting of discounts**
  - D. Creating financial statements

Samples of business processes for the marketing and sales division of a company include (1) promoting of discounts, (2) communicating marketing campaigns, (3) attracting customer, and (4) processing sales.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #154  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

155. Which of the following departments is primarily responsible for promoting discounts, attracting customers, and communicating marketing campaigns?
- A. Accounting and finance
  - B. Marketing and sales**
  - C. Operations management
  - D. Human resources

The marketing and sales division is responsible for the business processes of promoting of discounts, communicating marketing campaigns, attracting customers, and processing sales.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #155  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

156. Which of the following represents a business process you would find in the operations management department?
- A. Ordering inventory**
  - B. Processing sales
  - C. Promoting discounts
  - D. Paying of accounts payable

Samples of business processes for the operations management division of a company include (1) ordering inventory, (2) creating production schedules, and (3) manufacturing goods.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #156  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

157. Most business processes are cross-functional or cross-departmental processes that span the entire organization. Which of the following does not represent a cross-functional business process?
- A. Order-to-delivery process
  - B. Loan processing
  - C. Taking a product from concept to market
  - D. Processing payroll**

Most business processes are cross-functional or cross-department processes that span the entire organization. The process of "order to delivery" focuses on the entire customer order process across functional departments. Another example is "product realization," which includes not only the way a product is developed, but also the way it is marketed and serviced. Other cross-functional business processing are taking a product from concept to market, acquiring customers, loan processing, providing post-sales service, claim processing, and reservation handling.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #157  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

158. The accounting and finance department performs processes such as creating financial statements, paying accounts payables, and collecting accounts receivables. What form of processes do these represent?
- A. Customer-facing processes
  - B. Business-facing processes**
  - C. Industry-specific customer facing processes
  - D. All of these

The accounting and finance division in a company creates financial statements, pays the accounts payables, and collects accounts receivables. All of these processes are business-facing processes.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #158  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

159. What form of processes include loan processing for a bank, claims processing for an insurance company, reservation processing for a hotel, and baggage handling for an airline?
- A. Customer-facing processes
  - B. Business-facing processes
  - C. Industry-specific customer-facing processes**
  - D. All of these

Loan processing for a bank, claims processing for an insurance company, reservation processing for a hotel, and baggage handling for an airline are all examples of industry-specific customer-facing processes.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #159  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

160. What type of process includes order processing, customer service processing, sales processing, customer billing processing, and order shipping processing?
- A.** Customer-facing processes
  - B. Business-facing processes
  - C. Industry-specific customer facing processes
  - D. All of these

Order processing, customer service processing, sales processing, customer billing processing, and order shipping processing are all customer-facing processes.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #160  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

161. Which of the following represents business processes you would find in the human resources department?
- A. Hiring employees
  - B. Enrolling employees in benefit plans
  - C. Tracking vacation and sick time
  - D.** All of these

Some sample business processes included within the human resources division of a company include (1) hiring employees, (2) enrolling employees in health care or other benefit plans, and (3) tracking vacation and sick time.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #161  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

162. What is the difference between customer-facing processes and business-facing processes?
- A. Business-facing processes are front-office processes, and customer-facing processes are back-office processes.
  - B.** Customer-facing processes are front-office processes, and business-facing processes are back-office processes.
  - C. Customer-facing processes are back-office processes, and industry-specific customer-facing processes are back-office processes.
  - D. Customer-facing processes are back-office processes, and industry-specific customer-facing processes are front-office processes.

Customer-facing processes, also called front-office processes, result in product service received by and organization's external customer. Business-facing processes, also called back-office processes, are invisible to the external customer but essential to the effective management of the business.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #162  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

163. Which of the following is a customer-facing process?
- A.** Communicating with customers
  - B. Strategic goal setting
  - C. Providing performance feedback and rewards
  - D. Purchasing raw materials

Business-facing processes, also called back-office processes, are invisible to the external customer but essential to the effective management of the business; they include goal setting, day-to-day planning, giving performance feedback and rewards, and allocating resources.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #163  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

164. Which of the following represents a business-facing process?
- A. Loan processing
  - B. Order processing
  - C.** Strategic planning
  - D. Customer billing

Customer-facing processes result in a product or service received by an organization's external customer and include fulfilling orders, communicating with customers, sending out bills, and marketing information.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #164  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

165. When considering the five steps of the order-to-delivery business process, creating campaigns and checking inventory are included in which of the following?
- A. Step 4—sales
  - B.** Step 1—marketing
  - C. Step 3—operations management
  - D. Step 2—customer service

When considering the five steps of the order-to-delivery business process, step 1 is marketing, where the business creates campaigns and checks inventory.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #165  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

166. Which of the following processes focuses on the entire customer order process and operates across functional departments?
- A.** Order to delivery process
  - B. Customer billing process
  - C. Customer loan process
  - D. All of these

Most business processes are cross-functional or cross-departmental processes and span the entire organization. The process of "order to delivery" focuses on the entire customer order process across functional departments.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #166  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

167. Which of the following processes would be found in the operations management department?
- A.** Creating production schedules
  - B. Communicating marketing campaigns
  - C. Hiring employees
  - D. Processing sales

Sample business processes within the operational management division of a company include (1) ordering inventory, (2) creating production schedules, and (3) manufacturing goods.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #167  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

168. Which of the following should a business follow for success?
- A. Technology choices should drive business processes.
  - B.** Business processes should drive technology choices.
  - C. Technology choices should drive business strategies and goals.
  - D. All of these, depending on the industry.

Business processes should drive technology choices.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #168  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

169. Business process modeling, or mapping, is the activity of creating a detailed flowchart or process map of a work process that shows its inputs, tasks, and activities in a \_\_\_\_\_ sequence.
- A. Unstructured
  - B. Semistructured
  - C. Structured**
  - D. Unilateral

Business process modeling, or mapping, is the activity of creating a detailed flowchart or process map of a work process that shows its inputs, tasks, and activities in a structured sequence.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #169  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

170. Jessica Ulta works as an employee for City Service Credit Union and is responsible for consulting on loans, talking clients through the loan process, and providing loans to members. What type of processes does Jessica primarily work with?
- A. Business-facing processes
  - B. Industry-specific customer-facing processes**
  - C. Customer-facing processes
  - D. Industry-specific business-facing processes

When considering the business process modeling chart, Jessica is taking part in the industry-specific customer-facing processes depicted in the example.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #170  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

171. Sarah Schin was recently hired by Bank West as the global director of human resources. Her job duties include determining employment policies as well as overseeing all hiring, firing, and training of employees. What type of processes does Sarah's new job demonstrate?
- A. Business-facing processes**
  - B. Industry-specific customer-facing processes
  - C. Customer-facing processws
  - D. Industry-specific business-facing processes

The business-facing processes are (1) strategic planning, (2) tactical planning, (3) budget forecasting, (4) training, and (5) purchasing raw material.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #171  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

172. What is a model that represents the current state of the operation without any specific improvements or changes to existing processes?
- A.** As-Is process models
  - B. To-Be process models
  - C. Competitive business process models
  - D. Workflow model

The model that represents the current state of the operation that has been mapped, without any specific improvements or changes to existing processes, is the As-Is process model.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #172  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

173. What is the business process model that ensures the process is fully and clearly understood before the details of a process solution are decided upon?
- A. As-Is process model
  - B. Business process reengineering model
  - C. Customer facing process
  - D.** To-Be process model

The To-Be process model approach ensures that the process is fully and clearly understood before the details of a process solution are decided upon.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #173  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

174. What is the difference between the As-Is process model and the To-Be process model?
- A** The As-Is process model begins with what the process problem is, and the To-Be process model displays how the problem will be solved.
  - B. The process models are not related.
  - C. Both process models determine when to solve the problem.
  - D The As-Is process model begins with where to implement the solution, and the To-Be process model displays why the problem needs to be fixed.

The business process modeling usually begins with a functional process representation. The differences between the two models is that the As-Is process model begins with what the process problem is, and the To-Be process model displays how the problem will be solved.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #174  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance



175. What is the primary goal of the As-Is process model?
- A. To outline the process elements for the To-Be process
  - B. To create process choices for the As-Is process
  - C. To simplify, eliminate, and improve the To-Be process**
  - D. To analyze the To-Be process elements

The primary goal of the As-Is process model is to simplify, eliminate, and improve the To-Be process.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #175  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

176. The local florist in town is Cheryl Steffan, who has been in business for more than 20 years. Recently, Cheryl has noticed several complaints about delivery errors. Cheryl decides to investigate the errors in her business delivery process and finds that most of the inaccuracies occur during order taking. Cheryl decides to implement an electronic ordering system to help improve order efficiency and effectiveness. What method did Cheryl follow to solve her delivery issues?
- A. Modeled the As-Is process, fixed the errors, and then created the To-Be process**
  - B. Modeled the To-Be process, fixed the errors, and then created the As-Is process
  - C. Moved directly to implementing the To-Be process without analyzing the As-Is process
  - D. Moved directly to implementing the As-Is process without analyzing the To-Be process

The As-Is process model has the primary goals to simplify, eliminate, and improve the processes by defining the most efficient and effective process.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #176  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

177. What is the primary goal of using As-Is and To-Be process models?
- A. To determine employee specific errors
  - B. To determine measurement metrics
  - C. To determine the best way to solve a problem
  - D. To determine what the problem is and then how to solve the problem**

The primary goals of the As-Is and the To-Be process models is to determine what the problem is and how to solve the problem.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #177  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

178. Review the following list of key terms and determine which one typically occurs during operational business process improvement.
- A. Automation
  - B. Streamlining
  - C. Reengineering
  - D. Improvement

Automation typically occurs during operational business process improvement.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #178  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

179. Review the following list of key terms and determine which one typically occurs during managerial business process improvement.
- A. Automation
  - B. Streamlining
  - C. Reengineering
  - D. Improvement

Streamlining typically occurs during managerial business process improvement.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #179  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

180. Review the following list of key terms and determine which one typically occurs during strategic business process improvement.
- A. Automation
  - B. Streamlining
  - C. Reengineering
  - D. Improvement

Reengineering typically occurs during strategic business process improvement.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #180  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

181. Which of the following examples indicates when the time is right to initiate a business process change?
- A. The market being served makes a distinctive shift.
  - B. The company is following industry benchmarks on its core processes.
  - C. The company strategically passes or leapfrogs the competition on key decisions to regain competitive advantage.
  - D.** All of these.

The three conditions that indicate the time is right to initiate a business process change are (1) there has been a pronounced shift in the market the process was designed to serve; (2) the company is markedly below industry benchmarks on its core processes; and (3) to regain competitive advantage, the company must leapfrog competition on key dimensions.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #181  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

182. What does BPR assume about the current process in the extreme?
- A. Current process is irrelevant.
  - B. Current process is broken.
  - C. Current process must be overhauled from scratch.
  - D.** All of these.

BPR in the extreme assumes the current process is irrelevant, broken, or overhauled.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #182  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

183. Which of the following processes attempt to understand and measure the current process and make improvements?
- A. Business process mapping
  - B. Business process reengineering
  - C.** Business process improvement
  - D. Business process model

The business process improvement attempts to understand and measure the current process and make performance improvements accordingly.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #183  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

184. Transaction processing systems are primarily used to automate business processes. Automation increases efficiency and effectiveness, while reducing head count, which in turn reduces the overall operational \_\_\_\_\_.  
**A.** Costs  
B. Systems  
C. Revenues  
D. Intelligence

Automation increases efficiency and effectiveness, while reducing head count, which in turn reduces the overall operational costs.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #184  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

185. Several factors can accelerate the need for a company to make business improvement processes. What is the most prevalent factor?  
A. Market shifts  
**B.** Technology  
C. Discoveries  
D. Bottlenecking

Several factors can accelerate the need for a company to make business improvement processes. The most prevalent factor by far is technology.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #185  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

186. What improves managerial level business processes?  
A. Performance measures  
B. Bottlenecks  
C. Redundancy  
**D.** Streamlining

The factor to improving the managerial level business processes is through streamlining, which improves business process efficiencies simplifying or eliminating unnecessary steps.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #186  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

187. What is the point when resources reach full capacity and cannot handle any additional demands?
- A. Optimization analysis
  - B. Bottlenecks**
  - C. Redundancy
  - D. Swim lane

Bottlenecks occur when resources reach full capacity and cannot handle any additional demands; they limit throughput and impede operations.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #187  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

188. Which of the following represents an example of a technology that actually disrupts and slows workflow?
- A. Email
  - B. Twitter
  - C. Facebook
  - D. All of these**

The biggest problem with technology is some systems can really interfere and slow down the workflow, including email, Facebook, Twitter, and many social media sites, to name a few.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #188  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

189. Automating a business process that contains \_\_\_\_\_ or \_\_\_\_\_ will magnify or amplify these problems if they are not corrected first.
- A. Bottlenecks; regulations
  - B. Redundancies; regulations
  - C. Bottlenecks; redundancies**
  - D. Redundancies; swim lanes

Automating a business process that contains bottlenecks or redundancies will magnify or amplify these problems if they are not corrected first.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #189  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

190. FedEx is a great example of a company that created a competitive advantage through combining

- A. MIS and traditional distribution and logistics processes
- B. Logistic processes and an As-Is process model
- C. Artificial intelligence and distribution processes
- D. Swim lanes and logistic processes

FedEx is a great example of a real life company that created a competitive advantage through combining MIS and traditional distribution and logistics processes.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #190  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

191. What is the analysis and redesign of workflow within and between enterprises?

- A. Critical success factors (CSFs)
- B. Benchmarking metrics
- C. Business process reengineering (BPR)
- D. Decision support interfaces (DSI)

Business process reengineering (BPR) is the analysis and redesign of workflow within and between enterprises

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #191  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

192. Changing business processes with MIS outlines how to improve the three levels of business processes, which include operational, managerial, and strategic. From operational to strategic, what are the three major improvement strategies that the author describes?

- A. Automation—streamlining—reengineering
- B. Artificial intelligence—streamlining—reengineering
- C. Automation—workflow—reinvention
- D. Automation—consolidating—restructuring

Changing business processes with MIS outlines how to improve the three levels of business processes, which include operational, managerial, and strategic. From operational to strategic, the three major improvement strategies are automation—streamlining—reengineering.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #192  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

193. Which of the following represents the four main steps in the business process reengineering?
- A. Set project problem, study competition, create new products, and implement solution
  - B. Set project scope, study competition, create new products, and implement solution
  - C. Set project scope, study competition, create new processes, and implement solution**
  - D. Study competition, set project scope, create new processes, and implement solutions

The four main steps in the business process reengineering model include (1) set project scope, (2) study competition, (3) create new processes, and (4) implement solution.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #193  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

194. Which of the following explains why a company would implement a BPR strategy?
- A. To encourage competition
  - B. To decrease customers
  - C. To create value for the customer**
  - D. All of these

To create value for the customer is the leading reason a company would implement a BPR strategy, and MIS often plays an important enabling role.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #194  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

195. What is the system that focuses on evaluating and improving the processes that include both person-to-person workflow and system-to-system communications?
- A. Business process management (BPM) systems**
  - B. Semistructured systems
  - C. Virtual reality
  - D. All of these

Business process management (BPM) systems focus on evaluating and improving processes that include both person-to-person workflow and system-to-system communications.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #195  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-08 Describe business process management and its value to an organization.  
Topic Area: The Future Business Process Management

196. \_\_\_\_\_ decisions are considered operational and involve situations where established processes offer potential solutions.  
**Structured**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #196  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.  
Topic Area: Making Business Decisions

197. The typical structure of a business organization is similar to a pyramid and consists, from top to bottom, of strategic, managerial, and \_\_\_\_\_ levels.

**Operational**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #197  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

198. At the \_\_\_\_\_ level of a business structure, employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change.

**Managerial**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #198  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

199. The \_\_\_\_\_ level of a business structure is where employees develop, control, and maintain core business activities required to run the day-to-day activities.

**Operational**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #199  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

200. The president and vice president of a company are typically found in the \_\_\_\_\_ level of the business structure.

**Strategic**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #200  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Making Business Decisions

201. Situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision, are considered \_\_\_\_\_ decisions.

**Semistructured**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #201  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Topic Area: Metrics Measuring Business Success

202. A \_\_\_\_\_ is a temporary activity a company undertakes to create a unique product, service, or result.

**Project**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #202  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success



203. The crucial steps companies perform to achieve their goals and objectives and implement their strategies are called \_\_\_\_\_ success factors.

**Critical**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #203  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

204. \_\_\_\_\_ MIS metrics measure the impact MIS has on business processes and activities including customer satisfaction and customer conversion rates.

**Effectiveness**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #204  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

205. \_\_\_\_\_ MIS metrics measure the performance of the IT system itself, including throughput, speed, and availability.

**Efficiency**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #205  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

206. \_\_\_\_\_ focuses on how well an organization is achieving its goals and objectives.

**Effectiveness**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #206  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

207. \_\_\_\_\_ focuses on the extent to which an organization is using its resources in an optimal way.

**Efficiency**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #207  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

208. \_\_\_\_\_ are baseline values the system seeks to attain.

**Benchmarks**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #208  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

209. \_\_\_\_\_ is a process of continuously measuring system results, comparing those results to optimal system performance, and identifying steps and procedures to improve system performance.

**Benchmarking**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #209  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

210. \_\_\_\_\_ is the amount of information that can travel through a system at any point in time.

**Throughput**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #210  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

211. System \_\_\_\_\_ is the number of hours a system is available for use by customers and employees.

**Availability**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #211  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Topic Area: Metrics Measuring Business Success

212. \_\_\_\_\_-seeking analysis finds the inputs necessary to achieve a goal such as a desired level of output.

**Goal**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #212  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.

Topic Area: Support Enhancing Decision Making with MIS

213. The basic business system that serves the operational level (analysts) and assists in making structure decisions is called \_\_\_\_\_ processing system.

**Transaction**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #213  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.

Topic Area: Support Enhancing Decision Making with MIS

214. Using systems thinking, we can see that the inputs for a transaction processing system are \_\_\_\_\_ documents, the original transaction record.

**Source**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #214  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.

Topic Area: Support Enhancing Decision Making with MIS

215. \_\_\_\_\_ support systems model information using OLAP, which provides assistance in evaluating and choosing among different courses of action.

**Decision**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #215  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.

Topic Area: Support Enhancing Decision Making with MIS

216. Executive information systems are starting to take advantage of \_\_\_\_\_ intelligence to support strategic decision making, by stimulating human thinking and behavior.

**Artificial**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #216  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.

Topic Area: The Future Artificial Intelligence

217. A shopping \_\_\_\_\_ is software that will search several retailer websites and provide a comparison of each retailer's offerings, including price and availability.

**Bot**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #217  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.

Topic Area: The Future Artificial Intelligence

218. Citibank uses \_\_\_\_\_ networks to find opportunities in financial markets by carefully examining historical stock market data.

**Neural**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #218  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.

Topic Area: The Future Artificial Intelligence

219. At Microsoft's headquarters in Washington, they have implemented a \_\_\_\_\_ workforce to help alleviate congestion, save on real estate, and potentially increase worker production.

**Virtual**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #219  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.

Topic Area: The Future Artificial Intelligence

220. The \_\_\_\_\_-facing processes are also called front-office processes that result in a product or service received by an external customer.

**Customer**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #220  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.

Topic Area: Evaluating Business Processes

221. A \_\_\_\_\_ lane layout arranges the steps of a business process into a set of rows depicting the various elements.

**Swim**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #221  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

222. Business process modeling or \_\_\_\_\_ is the activity of creating a detailed flowchart or process of a work process that shows its inputs, tasks, and activities in a structured sequence.

**Mapping**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #222  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance

223. A \_\_\_\_\_ occurs when resources reach full capacity and cannot handle any additional demands.

**Bottleneck**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #223  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

224. The primary types of business process change from the operational level to the strategic level are \_\_\_\_\_, streamlining, and reengineering.

**Automation**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #224  
Blooms: Remember  
Difficulty: 2 Medium

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

225. Business process reengineering is the analysis and \_\_\_\_\_ of workflow within and between enterprises.

**Redesign**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #225  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.  
Topic Area: Support Changing Business Processes with MIS

226. A(n) \_\_\_\_\_ is a simplified representation or abstraction of reality.

**Model**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #226  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.  
Topic Area: Support Enhancing Decision Making with MIS

227. A decision support system models \_\_\_\_\_ to support managers and business professionals during the decision-making process.

**Information**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #227  
Blooms: Understand  
Difficulty: 1 Easy

Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.

Topic Area: Support Enhancing Decision Making with MIS

228. \_\_\_\_\_ analysis occurs when users change the value of one variable repeatedly and observe the resulting changes in other variables.

**Sensitivity**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #228  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.

Topic Area: Support Enhancing Decision Making with MIS

229. What-if analysis checks the impact of a \_\_\_\_\_ in an assumption on the proposed solution.

**Change**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #229  
Blooms: Understand  
Difficulty: 2 Medium

Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.

Topic Area: Support Enhancing Decision Making with MIS

230. \_\_\_\_\_ logic is a mathematical method of handling imprecise or subjective information.

**Fuzzy**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #230  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.

Topic Area: The Future Artificial Intelligence

231. \_\_\_\_\_ systems are various commercial applications of artificial intelligence.

**Intelligent**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #231  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.

Topic Area: The Future Artificial Intelligence

232. Artificial intelligence simulates \_\_\_\_\_ intelligence such as the ability to reason and learn.

**Human**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #232  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.

Topic Area: The Future Artificial Intelligence

233. \_\_\_\_\_ systems are computerized advisory programs that imitate the reasoning processes of experts in solving difficult problems.

**Expert**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #233  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

234. A(n) \_\_\_\_\_ agent is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users.

**Intelligent**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #234  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

235. Customer-facing processes result in a product or service that is received by an organization's \_\_\_\_\_ customer.

**External**

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #235  
Blooms: Remember  
Difficulty: 1 Easy

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

236. Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Decision-making skills are essential for all business professionals, at every company level, who make decisions that run the business. At the operational level, employees develop, control, and maintain core business activities required to run the day-to-day operations. Operational decisions are considered structured decisions, which arise in situations where established processes offer potential solutions. Structured decisions are made frequently and are almost repetitive in nature; they affect short-term business strategies. At the managerial level, employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change. Managerial decisions cover short- and medium-range plans, schedules, and budgets along with policies, procedures, and business objectives for the firm. These types of decisions are considered semistructured decisions; they occur in situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision. At the strategic level, managers develop overall business strategies, goals, and objectives as part of the company's strategic plan. They also monitor the strategic performance of the organization and its overall direction in the political, economic, and competitive business environment. Strategic decisions are highly unstructured decisions, occurring in situations in which no procedures or rules exist to guide decision makers toward the correct choice. They are infrequent, extremely important, and typically related to long-term business strategy.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #236  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-01 Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.  
Topic Area: Making Business Decisions

237. Define critical success factors (CSFs) and key performance indicators (KPIs), and explain how managers use them to measure the success of MIS projects.

Metrics are measurements that evaluate results to determine whether a project is meeting its goals. Two core metrics are critical success factors and key performance indicators. CSFs are the crucial steps companies perform to achieve their goals and objectives and implement their strategies and include creating high-quality products, retaining competitive advantages, and reducing product costs. KPIs are the quantifiable metrics a company uses to evaluate progress toward critical success factors. KPIs are far more specific than CSFs; examples include turnover rates of employees, percentage of help-desk calls answered in the first minute, and number of products returned. It is important to understand the relationship between critical success factors and key performance indicators. CSFs are elements crucial for a business strategy's success. KPIs measure the progress of CSFs with quantifiable measurements, and one CSF can have several KPIs. Of course, both categories will vary by company and industry. Imagine improved graduation rates as a CSF for a college.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #237  
Blooms: Analyze  
Difficulty: 3 Hard

*Learning Outcome: 02-02 Define critical success factors (CSFs) and key performance indicators (KPIs); and explain how managers use them to measure the success of MIS projects.*

*Topic Area: Metrics: Measuring Success*

238. Classify the different operational support systems, managerial support systems, and strategic support systems, and explain how managers can use these systems to make decisions and gain competitive advantages.

Being able to sort, calculate, analyze, and slice-and-dice information is critical to an organization's success. Without knowing what is occurring throughout the organization, there is no way that managers and executives can make solid decisions to support the business. The different operational, managerial, and strategic support systems include the following: Operational: A transaction processing system (TPS) is the basic business system that serves the operational level (analysts) in an organization. The most common example of a TPS is an operational accounting system such as a payroll system or an order-entry system. Managerial: A decision support system (DSS) models information to support managers and business professionals during the decision-making process. Strategic: An executive information system (EIS) is a specialized DSS that supports senior level executives within the organization.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #238  
Blooms: Analyze  
Difficulty: 3 Hard

*Learning Outcome: 02-03 Classify the different operational support systems; managerial support systems; and strategic support systems; and explain how managers can use these systems to make decisions and gain competitive advantages.*

*Topic Area: Support Enhancing Decision Making with MIS*

239. Describe artificial intelligence, and identify its five main types.

Artificial intelligence (AI) simulates human thinking and behavior, such as the ability to reason and learn. The five most common categories of AI are (1) expert systems—computerized advisory programs that imitate the reasoning processes of experts in solving difficult problems; (2) neural networks—attempts to emulate the way the human brain works; (3) genetic algorithm—a system that mimics the evolutionary, survival-of-the-fittest process to generate increasingly better solutions to a problem; (4) intelligent agents—a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users; and (5) virtual reality—a computer-simulated environment that can be a simulation of the real world or an imaginary world.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #239  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-04 Describe artificial intelligence; and identify its five main types.  
Topic Area: The Future Artificial Intelligence

240. Explain the value of business processes for a company, and differentiate between customer-facing and business-facing process.

A business process is a standardized set of activities that accomplish a specific task, such as processing a customer's order. Business processes transform a set of inputs into a set of outputs (goods or services) for another person or process by using people and tools. Without processes, organizations would not be able to complete activities. Customer-facing processes result in a product or service that is received by an organization's external customer. Business-facing processes are invisible to the external customer but essential to the effective management of the business.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #240  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-05 Explain the value of business processes for a company; and differentiate between customer-facing and business-facing processes.  
Topic Area: Evaluating Business Processes

241. Demonstrate the value of business process modeling, and compare As-Is and To-Be models.

Business process modeling (or mapping) is the activity of creating a detailed flowchart or process map of a work process, showing its inputs, tasks, and activities, in a structured sequence. A business process model is a graphic description of a process, showing the sequence of process tasks, which is developed for a specific purpose and from a selected viewpoint. Business process modeling usually begins with a functional process representation of what the process problem is, or an As-Is process model. As-Is process models represent the current state of the operation that has been mapped, without any specific improvements or changes to existing processes. The next step is to build a To-Be process model that displays how the process problem will be solved or implemented. To-Be process models show the results of applying change improvement opportunities to the current (As-Is) process model. This approach ensures that the process is fully and clearly understood before the details of a process solution are decided upon.

AACSB: Reflective Thinking  
AACSB: Technology  
Baltzan - Chapter 02 #241  
Blooms: Analyze  
Difficulty: 3 Hard

Learning Outcome: 02-06 Demonstrate the value of business process modeling; and compare As-Is and To-Be models.  
Topic Area: Models Measuring Performance



242. Differentiate among business process improvements, streamlining, and reengineering.

Business process improvement attempts to understand and measure the current process and make performance improvements accordingly. Streamlining improves business process efficiencies by simplifying or eliminating unnecessary steps. Bottlenecks occur when resources reach full capacity and cannot handle any additional demands; they limit throughput and impede operations. Streamlining removes bottlenecks, an important step if the efficiency and capacity of a business process are being increased. Business process reengineering (BPR) is the analysis and redesign of workflow within and between enterprises and occurs at the systems level or companywide level and the end-to-end view of a process.

*AACSB: Reflective Thinking*  
*AACSB: Technology*  
*Baltzan - Chapter 02 #242*  
*Blooms: Analyze*  
*Difficulty: 3 Hard*

*Learning Outcome: 02-07 Differentiate among business process improvements; streamlining; and reengineering.*  
*Topic Area: Support Changing Business Processes with MIS*

243. Describe business process management and its value to an organization.

Business process management (BPM) systems focus on evaluating and improving processes that include both person-to-person workflow and system-to-system communications. BPM systems include advanced features such as enhanced process modeling, simulation, execution, and monitoring, providing a high level of flexibility while reducing costs.

*AACSB: Reflective Thinking*  
*AACSB: Technology*  
*Baltzan - Chapter 02 #243*  
*Blooms: Analyze*  
*Difficulty: 3 Hard*

*Learning Outcome: 02-08 Describe business process management and its value to an organization.*  
*Topic Area: The Future Business Process Management*

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