

Test Bank for Business Driven Information Systems 9th Baltzan

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Chapter 01 Test Bank

CORRECT ANSWERS ARE LOCATED IN THE 2ND HALF OF THIS DOC.

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

- 1) Diagnostic analytics is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.
☐ true
☐ false
- 2) Business intelligence is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.
☐ true
☐ false
- 3) The information age is a time when infinite quantities of facts are widely available to anyone who can use a computer.
☐ true
☐ false
- 4) A fact is the confirmation or validation of an event or object. In the past, people primarily learned facts from books.
☐ true
☐ false
- 5) Zappos primary business focus is to sell books and competitive intelligence.
☐ true
☐ false
- 6) Order date, amount sold, and customer number are all forms of data.
☐ true
☐ false
- 7) Choosing not to fire a sales representative who is underperforming while knowing that the representative is experiencing family problems is a form of knowledge.
☐ true
☐ false

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- 8) Information is data converted into a meaningful and useful context. The truth about information is that its value is only as good as the people who use it. People using the same information can make different decisions depending on how they interpret or analyze the information.
- Ⓐ true
 - Ⓑ false
- 9) The fourth industrial revolution represents the blending of the digital, physical, and biological worlds with rates of change operating at hypervelocity.
- Ⓐ true
 - Ⓑ false
- 10) The fifth industrial revolution represents the blending of the digital, physical, and biological worlds with rates of change operating at hypervelocity.
- Ⓐ true
 - Ⓑ false
- 11) The Internet of Things (IoT) is any device connected to the Internet with the goal of enhancing performance without human intervention.
- Ⓐ true
 - Ⓑ false
- 12) Machine-to-machine (M2M) refers to two or more connected devices interacting via wireless or wired connections with the goal of data sharing and analytics without human intervention.
- Ⓐ true
 - Ⓑ false
- 13) Machine-to-machine (M2M) refers to two or more connected devices interacting via wireless or wired connections with the goal of data sharing and analytics depending on having human intervention to complete the transactions.
- Ⓐ true
 - Ⓑ false
- 14) The Internet of Things (IoT) refers to devices that are unable to connect directly to other devices.
- Ⓐ true
 - Ⓑ false

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- 15) Environmental data captures environmental data including annual carbon emissions and energy consumption, water usage, waste, pollution output, etc.
- ☐ true
 - ☐ false
- 16) Social data captures environmental data including annual carbon emissions and energy consumption, water usage, waste, pollution output, etc.
- ☐ true
 - ☐ false
- 17) Social data captures statistics related to workforce diversity, gender equity, human rights, etc.
- ☐ true
 - ☐ false
- 18) Governance data captures statistics related to workforce diversity, gender equity, human rights, etc.
- ☐ true
 - ☐ false
- 19) Governance data captures company data regarding corruption, labor practices, gender composition of the board of directors, etc.
- ☐ true
 - ☐ false
- 20) Predictive analytics extracts information from data and uses it to predict future trends and identify behavioral patterns.
- ☐ true
 - ☐ false
- 21) Top managers use predictive analytics to define the future of the business, analyzing markets, industries, and economies to determine the strategic direction the company must follow to remain profitable. Tony will set the strategic direction for his firm, which might include introducing new flavors of potato chips or sports drinks as new product lines or schools and hospitals as new market segments.
- ☐ true
 - ☐ false

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- 22) A data analyst collects, queries, and consumers organizational data to uncover patterns and provide insights for strategic business decision making.
- ☐ true
 - ☐ false
- 23) Using only data and information to make decisions and solve problems is the key to finding success in business. These are also the only core drivers of the information age and the building blocks of business systems.
- ☐ true
 - ☐ false
- 24) Big data represents large volumes of data - both structured and unstructured - containing greater variety, increased veracity, and with more velocity.
- ☐ true
 - ☐ false
- 25) The four common characteristics of big data include variety, veracity, volume, velocity.
- ☐ true
 - ☐ false
- 26) Variety in big data includes different forms of structured and unstructured data.
- ☐ true
 - ☐ false
- 27) Veracity in big data includes the uncertainty of data, including biases, noise, and abnormalities.
- ☐ true
 - ☐ false
- 28) Volume in big data includes the scale of data.
- ☐ true
 - ☐ false
- 29) Velocity in big data includes the analysis of streaming data as it travels around the Internet.
- ☐ true
 - ☐ false
- 30) Velocity in big data includes different forms of structured and unstructured data.
- ☐ true
 - ☐ false

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- 31) Volume in big data includes the uncertainty of data, including biases, noise, and abnormalities.
- ☐ true
 - ☐ false
- 32) Big data is a view of data at a moment in time.
- ☐ true
 - ☐ false
- 33) A snapshot is a view of data at a particular moment in time.
- ☐ true
 - ☐ false
- 34) A static report can include updating daily stock market prices or the calculation of available inventory.
- ☐ true
 - ☐ false
- 35) A dynamic report can include updating daily stock market prices or the calculation of available inventory.
- ☐ true
 - ☐ false
- 36) Business analytics is the scientific process of transforming data into information for making data-driven business decisions.
- ☐ true
 - ☐ false
- 37) Algorithm is a mathematical formula placed in software that performs analytics on a dataset.
- ☐ true
 - ☐ false
- 38) Analytics is the systematic computation analysis of data for the discovery, interpretation, and communication of meaningful patterns.
- ☐ true
 - ☐ false
- 39) Descriptive analytics describes past performance and history.
- ☐ true
 - ☐ false

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- 40) Predictive analytics extracts information from data to predict future trends and identify behavioral patterns.
- ☐ true
 - ☐ false
- 41) Diagnostic analytics examines data or content to answer the question, "why did it happen?" This helps an organization determine the cause of a positive or negative outcome.
- ☐ true
 - ☐ false
- 42) Descriptive analytics examines data or content to answer the question, "why did it happen?" This helps an organization determine the cause of a positive or negative outcome.
- ☐ true
 - ☐ false
- 43) Diagnostic analytics describes past performance and history.
- ☐ true
 - ☐ false
- 44) Prescriptive analytics extracts information from data to predict future trends and identify behavioral patterns.
- ☐ true
 - ☐ false
- 45) Structured data is data that has a defined length, type, and format and includes numbers, dates, or strings such as Customer Address.
- ☐ true
 - ☐ false
- 46) Unstructured data is data that is not defined and does not follow a specified format and is typically free-form text such as emails, Twitter tweets, and text messages.
- ☐ true
 - ☐ false
- 47) Unstructured data is data that has a defined length, type, and format and includes numbers, dates, or strings such as Customer Address.
- ☐ true
 - ☐ false

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- 48) Structured data is data that is not defined and does not follow a specified format and is typically free-form text such as emails, Twitter tweets, and text messages.
- ☐ true
 - ☐ false
- 49) A business department is a segment of a company (such as accounting, production, marketing) representing a specific business function.
- ☐ true
 - ☐ false
- 50) Democratization is the action of making something accessible to everyone.
- ☐ true
 - ☐ false
- 51) Democratization is the action of making something impossible for everyone to access.
- ☐ true
 - ☐ false
- 52) The finance department performs the function of selling goods or services.
- ☐ true
 - ☐ false
- 53) The marketing department supports sales by planning, pricing, and promoting goods or services.
- ☐ true
 - ☐ false
- 54) The operations management department manages the process of converting or transforming resources into goods or services.
- ☐ true
 - ☐ false
- 55) The accounting and finance departments primarily use monetary data.
- ☐ true
 - ☐ false
- 56) A data silo occurs when one department is unable to freely communicate with other departments, making it difficult or impossible to work cross-functionally.
- ☐ true
 - ☐ false

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- 57) Structured data occurs when one department is unable to freely communicate with other departments, making it difficult or impossible to work cross-functionally.
- ☐ true
 - ☐ false
- 58) For an organization to succeed, every department or functional area must work independently to be most effective.
- ☐ true
 - ☐ false
- 59) Successful companies today operate cross-functionally, integrating the operations of all departments.
- ☐ true
 - ☐ false
- 60) The business decisions made by the human resources department include employee data, promotion data, and vacation data.
- ☐ true
 - ☐ false
- 61) The business decisions made by the finance department include investment data, monetary data, and reporting data.
- ☐ true
 - ☐ false
- 62) The business decisions made by the accounting department include transactional data, purchasing data, payroll data, and tax data.
- ☐ true
 - ☐ false
- 63) The business decisions made by the sales department include potential customer data, sales report data, commission data, and customer support data.
- ☐ true
 - ☐ false
- 64) The business decisions made by the operations management department include manufacturing data, distribution data, and production data.
- ☐ true
 - ☐ false

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- 65) The business decisions made by the human resources department include investment data, monetary data, and reporting data.
- ☐ true
 - ☐ false
- 66) The business decisions made by the marketing department include transactional data, purchasing data, payroll data, and tax data.
- ☐ true
 - ☐ false
- 67) The business decisions made by the human resources department include potential customer data, sales report data, commission data, and customer support data.
- ☐ true
 - ☐ false
- 68) The chief technology officer is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks from hackers and viruses.
- ☐ true
 - ☐ false
- 69) The chief security officer is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks from hackers and viruses.
- ☐ true
 - ☐ false
- 70) The chief privacy officer is responsible for ensuring the ethical and legal use of information within a company.
- ☐ true
 - ☐ false
- 71) The chief knowledge officer is responsible for collecting, maintaining, and distributing company knowledge.
- ☐ true
 - ☐ false
- 72) The chief data officer (CDO) is responsible for determining the types of information the enterprise will capture, retain, analyze, and share.
- ☐ true
 - ☐ false

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- 73) The gender skills gap refers to the disparity in skills and capabilities between men and women in the workforce.
- ☐ true
 - ☐ false
- 74) Diversity, equity, and inclusion is a conceptual framework that claims to promote the fair treatment of all people, especially in the workplace, including populations who have historically been under-represented or subject to discrimination because of their background or identity.
- ☐ true
 - ☐ false
- 75) Departments, evaluations, and indecision is a conceptual framework that claims to promote the fair treatment of all people, especially in the workplace, including populations who have historically been under-represented or subject to discrimination because of their background or identity.
- ☐ true
 - ☐ false
- 76) Goods are material items or products that customers will buy to satisfy a want or need.
- ☐ true
 - ☐ false
- 77) Waiting tables, teaching, and cutting hair are all examples of services that people pay for to fulfill their needs.
- ☐ true
 - ☐ false
- 78) An overview of systems thinking includes input, process, output, and finances.
- ☐ true
 - ☐ false
- 79) A stakeholder is a person or group that has an interest or concern in an organization. Stakeholder's drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. It is not uncommon to find stakeholder's business strategies have conflicting interests such as investors looking to increase profits by eliminating employee jobs.
- ☐ true
 - ☐ false

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- 80) Cars, groceries, and clothing are all examples of goods.
- ☐ true
 - ☐ false
- 81) Production is the process by which a business takes raw materials and processes them or converts them into a finished product for its goods or services.
- ☐ true
 - ☐ false
- 82) Productivity is the rate at which goods and services are produced based upon total output given total inputs.
- ☐ true
 - ☐ false
- 83) Lettuce, tomatoes, patty, bun, and ketchup are included in the output of making a hamburger.
- ☐ true
 - ☐ false
- 84) Cooking a patty and putting the ingredients together are included in the process of making a hamburger.
- ☐ true
 - ☐ false
- 85) Bread, cheese, and butter are included in the process of making a grilled cheese sandwich.
- ☐ true
 - ☐ false
- 86) A grilled cheese sandwich is considered the final output of a making-a-sandwich process.
- ☐ true
 - ☐ false
- 87) If a business could produce the same hamburger with less expensive inputs, it would probably see a decrease in profits.
- ☐ true
 - ☐ false
- 88) If a business could produce more hamburgers with the same inputs, it would see a rise in productivity and possibly an increase in profits.
- ☐ true
 - ☐ false

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- 89) A leadership plan that achieves a specific set of goals or objectives is a business strategy.
- ☐ true
 - ☐ false
- 90) To combat business challenges, leaders communicate and execute business strategies; the word *strategy* comes from the Greek *stratus* for army and *ago* for leading.
- ☐ true
 - ☐ false
- 91) Businesses rarely need to update business strategies as the business environment remains relatively stable.
- ☐ true
 - ☐ false
- 92) A business model is a plan that details how a company creates, delivers, and captures value to generate revenues. For example, a company can produce a business model to create and capture value by delivering online groceries in near real time to local customers.
- ☐ true
 - ☐ false
- 93) A gender skills gap is a plan that details how a company creates, delivers, and captures value to generate revenues.
- ☐ true
 - ☐ false
- 94) An operating model is a detailed plan describing how a business delivers its value creation to its internal and external customers via its processes.
- ☐ true
 - ☐ false
- 95) Data democratization is a detailed plan describing how a business delivers its value creation to its internal and external customers via its processes.
- ☐ true
 - ☐ false
- 96) A gender skills gap is a plan that details how a company creates, delivers, and captures value to generate revenues.
- ☐ true
 - ☐ false

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- 97) Attracting new customers, decreasing costs, and entering new markets are all examples of successful business strategies.
- ☐ true
 - ☐ false
- 98) Decreasing customer loyalty, increasing costs, and decreasing sales are all examples of business strategies.
- ☐ true
 - ☐ false
- 99) A first-mover advantage is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed.
- ☐ true
 - ☐ false
- 100) FedEx created a first-mover advantage by developing its customer self-service software, which allows people to request parcel pickups, print mailing slips, and track parcels online.
- ☐ true
 - ☐ false
- 101) A SWOT analysis will evaluate potential internal strengths, internal weaknesses, and external opportunities.
- ☐ true
 - ☐ false
- 102) A SWOT analysis evaluates an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.
- ☐ true
 - ☐ false
- 103) A SWOT analysis evaluates an organization's strengths, weaknesses, objectives, and threats.
- ☐ true
 - ☐ false

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- 104) A SWOT analysis evaluates an organization's strengths, worries, opportunities, and technologies to identify significant influences that work for or against business strategies.
- ☐ true
 - ☐ false
- 105) In a SWOT analysis, strengths and weaknesses originate inside an organization, or internally. Opportunities and threats originate outside an organization, or externally, and cannot always be anticipated or controlled.
- ☐ true
 - ☐ false
- 106) In a SWOT analysis, potential internal strengths are helpful when they identify all key strengths associated with the competitive advantage, including cost advantages, new and/or innovative services, special expertise and/or experience, proven market leader, improved marketing campaigns, and so on.
- ☐ true
 - ☐ false
- 107) In a SWOT analysis, potential internal weaknesses are harmful when they identify all key areas that require improvement. Weaknesses focus on the absence of certain strengths, including absence of an Internet marketing plan, damaged reputation, problem areas for service, outdated technology, employee issues, and so on.
- ☐ true
 - ☐ false
- 108) In a SWOT analysis, potential external opportunities are helpful when they identify all significant trends along with how the organization can benefit from each, including new markets, additional customer groups, legal changes, innovative technologies, population changes, competitor issues, and so on.
- ☐ true
 - ☐ false
- 109) In a SWOT analysis, potential external threats are harmful when they identify all threats or risks detrimental to your organization, including new market entrants, substitute products, employee turnover, differentiating products, shrinking markets, adverse changes in regulations, economic shifts, and so on.
- ☐ true
 - ☐ false

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- 110) Competitive advantages provide the same product or service either at a lower price or with additional value that can fetch premium prices.
- ☐ true
 - ☐ false
- 111) Margret Peterson identified Porter's Five Forces Model, which analyzes the competitive forces within a business environment.
- ☐ true
 - ☐ false
- 112) Porter's Five Forces Model outlines the process for a sales strategy.
- ☐ true
 - ☐ false
- 113) With the Five Forces Model, companies should watch the forces in the market. If the forces are strong, competition generally increases, and if the forces are weak, competition typically decreases.
- ☐ true
 - ☐ false
- 114) There are many challenges to changing doctors, including transferring medical records and losing the doctor-patient relationship along with the doctor's knowledge of the patient's history. Changing doctors provides a great example of switching costs.
- ☐ true
 - ☐ false
- 115) Supplier power is one of Porter's five forces, and it measures the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services).
- ☐ true
 - ☐ false
- 116) Polaroid had a unique competitive advantage for many years until it forgot to observe competitive intelligence. The firm went bankrupt when people began taking digital pictures. Polaroid provides a great example of Porter's supplier power.
- ☐ true
 - ☐ false

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- 117) Product differentiation occurs when a company develops unique differences in its products or services with the intent to influence demand.
- ☐ true
 - ☐ false
- 118) Buyer power is the ability of buyers to affect the price they must pay for an item.
- ☐ true
 - ☐ false
- 119) Rivalry among existing competitors refers to the ability of buyers to affect the price they must pay for an item.
- ☐ true
 - ☐ false
- 120) The threat of substitute products or services refers to the power of customers to purchase alternatives.
- ☐ true
 - ☐ false
- 121) The threat of substitute products or services refers to the power of competitors to enter a new market.
- ☐ true
 - ☐ false
- 122) Tiffany & Company competes in the marketplace by offering high-cost, custom jewelry. Tiffany & Company is following a broad market and cost leadership strategy.
- ☐ true
 - ☐ false
- 123) Porter has identified three generic business strategies, including focused, broad cost leadership, and switching strategy.
- ☐ true
 - ☐ false
- 124) According to Porter's three generic strategies, Walmart is following a business strategy that focuses on broad market and low cost.
- ☐ true
 - ☐ false

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- 125) According to Porter, it is recommended to adopt only one of the three generic strategies.
- ☐ true
 - ☐ false

- 126) Buyer power is included as one of Porter's three generic strategies.
- ☐ true
 - ☐ false

CHECK ALL THE APPLY. Choose all options that best completes the statement or answers the question.

- 127) Which of the following are included in the core drivers of the information age? (Check all that apply.)

- A) information
- B) systems thinking
- C) knowledge
- D) data
- E) reports
- F) data scientists
- G) business intelligence
- H) analytics
- I) governance data

- 128) Which of the following are **NOT** included in the core drivers of the information age? (Check all that apply.)

- A) information
- B) systems thinking
- C) knowledge
- D) data
- E) reports
- F) data scientists
- G) business intelligence
- H) algorithm
- I) social data

- 129) Which of the following are considered data? (Check all that apply.)

- A) quantity sold
- B) best customer by month
- C) best-selling item by month
- D) customer number
- E) order date

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- 130) Which of the following are considered information? (Check all that apply.)
- A) quantity sold
 - B) best customer by month
 - C) best-selling item by month
 - D) customer number
 - E) order date
- 131) Which of the following represents the four common characteristics of big data? (Check all that apply.)
- A) variety
 - B) algorithm
 - C) veracity
 - D) analytics
 - E) volume
 - F) business analytics
 - G) velocity
 - H) diversity, equity, and inclusion
- 132) Which of the following **DO NOT** represent the four common characteristics of big data? (Check all that apply.)
- A) variety
 - B) algorithm
 - C) veracity
 - D) democratization
 - E) volume
 - F) gender skills gap
 - G) velocity
 - H) governance data
- 133) Select the four common characteristics of big data along with the correct definition. (Check all that apply.)
- A) variety - different forms of data
 - B) variety - uncertainty of data
 - C) veracity - uncertainty of data
 - D) veracity - the scale of data
 - E) volume - the scale of data
 - F) volume - the analysis of streaming data
 - G) velocity - the analysis of streaming data
 - H) velocity - different forms of data

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- 134) Select all of the following that represent forms of structured data. (Check all that apply.)
- A) sensor data
 - B) web log data
 - C) satellite images
 - D) photographic data
 - E) clickstream data
 - F) point-of-sale data
 - G) social media data
 - H) text messages
- 135) Select all of the following that represent forms of unstructured data. (Check all that apply.)
- A) sensor data
 - B) web log data
 - C) satellite images
 - D) photographic data
 - E) clickstream data
 - F) point-of-sale data
 - G) social media data
 - H) text messages data
- 136) Select all of the following that represent the four broad categories of analytics. (Check all that apply.)
- A) intelligence analytics
 - B) descriptive analytics
 - C) diagnostic analytics
 - D) predictive analytics
 - E) data silo analytics
 - F) prescriptive analytics
 - G) data democratization analytics
 - H) big data analytics

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137) Select all of the following that **DO NOT** represent the four broad categories of analytics.

(Check all that apply.)

- A) intelligence analytics
- B) descriptive analytics
- C) diagnostic analytics
- D) predictive analytics
- E) data silo analytics
- F) prescriptive analytics
- G) data democratization analytics
- H) big data analytics

138) Select all of the following that represent forms of unstructured data. (Check all that apply.)

- A) sensor data
- B) web log data
- C) satellite images
- D) photographic data
- E) clickstream data
- F) point-of-sale data
- G) social media data
- H) text messages

139) Select all of the following that represent inputs when making a hamburger. (Check all that apply.)

- A) lettuce
- B) tomatoes
- C) burger patty
- D) bun
- E) ketchup
- F) cook the burger patty
- G) compile the ingredients together
- H) hamburger

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- 140) Select all of the following that represent the process when making a hamburger. (Check all that apply.)
- A) lettuce
 - B) tomatoes
 - C) burger patty
 - D) bun
 - E) ketchup
 - F) cook the burger patty
 - G) compile the ingredients together
 - H) hamburger
- 141) Select all of the following that represent the output when making a hamburger. (Check all that apply.)
- A) lettuce
 - B) tomatoes
 - C) burger patty
 - D) bun
 - E) ketchup
 - F) cook the burger patty
 - G) compile the ingredients together
 - H) hamburger
- 142) Which of the following are common departments found in an organization? (Check all that apply.)
- A) accounting
 - B) operations management
 - C) marketing
 - D) chief information officer
 - E) chief data officer
 - F) payroll
 - G) data scientists
 - H) finance

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- 143) Which of the following are MIS roles found in an organization? (Check all that apply.)
- A) accounting
 - B) operations management
 - C) marketing
 - D) chief information officer
 - E) chief security officer
 - F) payroll
 - G) chief knowledge officer
- 144) If your boss believed in data democratization, who would be allowed to collect, analyze, and access data? (Check all that apply.)
- A) sales managers
 - B) competitors
 - C) marketing managers
 - D) chief information officer
 - E) human resource employees
 - F) competitor suppliers
 - G) competitor's customers
- 145) Choose Porter's five forces from the list below.
- A) buyer power
 - B) supplier power
 - C) threat of substitute products or services
 - D) threat of managers
 - E) threat of new entrants
 - F) rivalry among existing competitors
 - G) business driven globalization
 - H) technology development
- 146) Porter identified three generic strategies that a business could follow after identifying a market it wanted to enter. Which of the following are included in Porter's three generic strategies? (Check all that apply.)
- A) broad differentiation
 - B) supplier cost differentiation
 - C) narrow focused strategy
 - D) broad cost leadership
 - E) focused buyer leadership
 - F) broad supplier differentiation
 - G) narrow customer strategy

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

- 147) Which of the following is NOT considered a core driver of the information age?
- A) information
 - B) business intelligence
 - C) static report
 - D) data
- 148) Which of the following is NOT considered a core driver of the information age?
- A) information
 - B) business intelligence
 - C) data
 - D) snapshot
- 149) Which of the following is considered a core driver of the information age?
- A) snapshot
 - B) goods
 - C) services
 - D) data
- 150) Which of the following is considered a core driver of the information age?
- A) data scientist
 - B) stakeholders
 - C) snapshot
 - D) knowledge
- 151) Why do students need to study management information systems?
- A) Management information systems are everywhere in business.
 - B) Management information systems are rarely discussed in business.
 - C) Management information systems are rarely used in organizations.
 - D) Management information systems are found in only a few businesses.
- 152) What is the confirmation or validation of an event or object?
- A) fact
 - B) data analyst
 - C) data scientist
 - D) competitive intelligence

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- 153) The age we live in has infinite quantities of facts that are widely available to anyone who can use a computer. What is this age called?
- A) data age
 - B) information age
 - C) history age
 - D) data scientist age
- 154) Which of the following companies used technology to revamp the business process of selling books?
- A) Netflix
 - B) Dell
 - C) Zappos
 - D) Amazon
- 155) Which of the following companies used technology to revamp the business process of renting videos?
- A) Netflix
 - B) Dell
 - C) Zappos
 - D) Amazon
- 156) Which of the following companies used technology to revamp the business process of selling shoes?
- A) Netflix
 - B) Dell
 - C) Zappos
 - D) Amazon
- 157) What is data?
- A) raw facts that describe the characteristics of an event or object
 - B) data converted into a meaningful and useful context
 - C) information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making
 - D) skills, experience, and expertise, coupled with information and intelligence, which create a person's intellectual resources

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- 158) What represents the blending of the digital, physical, and biological worlds with rates of change operating at hypervelocity?
- A) fourth industrial revolution
 - B) big data
 - C) Internet of Things
 - D) knowledge age
- 159) What represents the blending of the digital, physical, and biological worlds with rates of change operating at hypervelocity?
- A) fourth industrial revolution
 - B) first industrial revolution
 - C) third industrial revolution
 - D) machine industrial revolution
- 160) What represents large volumes of data - both structured and unstructured - containing greater variety, increased veracity, and with more velocity?
- A) fourth industrial revolution
 - B) big data
 - C) Internet of Things
 - D) machine-to-machine
- 161) What is information?
- A) raw facts that describe the characteristics of an event or object
 - B) data converted into a meaningful and useful context
 - C) information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making
 - D) skills, experience, and expertise, coupled with information and intelligence, which create a person's intellectual resources
- 162) What is business intelligence?
- A) raw facts that describe the characteristics of an event or object
 - B) data converted into a meaningful and useful context
 - C) information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making
 - D) skills, experience, and expertise, coupled with information and intelligence, which create a person's intellectual resources

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- 163) What is knowledge?
- A) raw facts that describe the characteristics of an event or object
 - B) data converted into a meaningful and useful context
 - C) information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making
 - D) skills, experience, and expertise, coupled with information and intelligence, which create a person's intellectual resources
- 164) Which of the following is considered information?
- A) quantity sold
 - B) date sold
 - C) best-selling item by month
 - D) product sold
- 165) Which of the following is considered data?
- A) quantity sold
 - B) best customer by month
 - C) best-selling item by month
 - D) worst-selling item by month
- 166) Cheryl Steffan is the operations manager for Nature's Bread Company, which specializes in providing natural products for health-conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company's profitability and forecast production for the next day. Which of the following is an example of a piece of data Cheryl would be using to successfully perform her job?
- A) Craig Newmark is customer number 15467
 - B) compare the costs of supplies, including energy, over the last five years to determine the best-selling product by month
 - C) best-selling product by day
 - D) best-selling product changes when Tony the best baker is working

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- 167) Cheryl Steffan is the operations manager for Nature's Bread Company, which specializes in providing natural products for health-conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company's profitability and forecast production for the next day. Which of the following is an example of the type of information Cheryl would be using to successfully perform her job?
- A) Craig Newmark is customer number 15467
 - B) Flour Power is supplier number 8745643
 - C) best-selling product by day
 - D) best-selling product changes when Tony the best baker is working
- 168) Cheryl Steffan is the operations manager for Nature's Bread Company, which specializes in providing natural products for health-conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company's profitability and forecast production for the next day. Which of the following is an example of knowledge that Cheryl would be using to successfully perform her job?
- A) Craig Newmark is customer number 15467
 - B) Flour Power is supplier number 8745643
 - C) best-selling product by day
 - D) best-selling product changes when Tony the best baker is working
- 169) Which of the following provides an example of information?
- A) Who is customer number 12345XX?
 - B) What is product number 12345XX?
 - C) What customer number is Bob Smith?
 - D) What is my worst-selling product by month?
- 170) Which of the following provides an example of data?
- A) Who are my best customers in Europe?
 - B) What is my best-selling product by month?
 - C) What is my worst-selling product by month?
 - D) Who is customer number 12345XX?
- 171) Which of the following represents the core drives of the information age?
- A) data, information, business intelligence, knowledge
 - B) fact, data, intelligence, experience
 - C) fact, intelligence, business skills, know-how
 - D) data, intelligence, business information, know-how

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- 172) Which of the following represents the definition of a variable?
- A) a report that is collected through competitive intelligence and cannot change over time
 - B) a data characteristic that stands for a value that changes or varies over time
 - C) a data characteristic that stands for a value that does not change or vary over time
 - D) a report that is collected only through competitive intelligence and can change over time
- 173) What is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making?
- A) supply intelligence
 - B) social intelligence
 - C) employee intelligence
 - D) business intelligence
- 174) What are data characteristics that change or vary over time?
- A) goods
 - B) variables
 - C) customers
 - D) services
- 175) What is data converted into a meaningful and useful context?
- A) competitors
 - B) information
 - C) buyers
 - D) customers
- 176) What refers to two or more connected devices interacting via wireless or wired connections with the goal of data sharing and analytics without human intervention?
- A) information age
 - B) fourth industrial revolution
 - C) machine-to-machine
 - D) analytics

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- 177) What extracts information from data and uses it to predict future trends and identify behavioral patterns?
- A) Internet of Things
 - B) predictive analytics
 - C) machine-to-machine
 - D) fourth industrial revolution
- 178) What is the Internet of Things?
- A) any device connected to the Internet with the goal of enhancing performance without human intervention
 - B) extracts information from reports to identify customers
 - C) opportunities to change the way people drive cars
 - D) opportunities to change the way people purchase books
- 179) Which of the following definitions describes machine-to-machine?
- A) opportunities to change the way people drive cars
 - B) extracts information from reports to identify customers
 - C) two or more connected devices interacting via wireless or wired connections with the goal of data sharing and analytics without human intervention
 - D) opportunities to change the way people purchase books
- 180) What is predictive analytics?
- A) extracts information from reports to identify customers
 - B) techniques that extract information from data and use it to predict future trends and identify behavioral patterns
 - C) refers to devices that connect directly to other devices
 - D) opportunities to change the way people purchase books
- 181) Who collects, queries, and consumes organizational data to uncover patterns and provide insights for strategic business decisions?
- A) business intelligence manager
 - B) data scientist
 - C) data worker
 - D) data analyst

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- 182) What is the systematic computation analysis of data for the discovery, interpretation, and communication of meaningful patterns?
- A) algorithm
 - B) information
 - C) data
 - D) analytics
- 183) What is the scientific process of transforming data into information for making data-driven business decisions?
- A) business analytics
 - B) descriptive analytics
 - C) prescriptive analytics
 - D) predictive analytics
- 184) What describes past performance and history?
- A) diagnostic analytics
 - B) descriptive analytics
 - C) prescriptive analytics
 - D) predictive analytics
- 185) What extracts information from data and use it to predict future trends and identify behavioral patterns?
- A) diagnostic analytics
 - B) descriptive analytics
 - C) prescriptive analytics
 - D) predictive analytics
- 186) What creates models indicating the best decision to make or course of action to take?
- A) diagnostics analytics
 - B) descriptive analytics
 - C) prescriptive analytics
 - D) predictive analytics
- 187) What are business analytics?
- A) the scientific process of transforming data into information for making data-driven business decisions
 - B) describe past performance and history
 - C) extracts information from data and use it to predict future trends and identify behavioral patterns
 - D) creates models indicating the best decision to make or course of action to take

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- 188) What are descriptive analytics?
- A) examines data or content to answer the question, "Why did it happen?"
 - B) describe past performance and history
 - C) extracts information from data and use it to predict future trends and identify behavioral patterns
 - D) creates models indicating the best decision to make or course of action to take
- 189) What are diagnostic analytics?
- A) examines data or content to answer the question, "Why did it happen?"
 - B) describe past performance and history
 - C) extracts information from data and use it to predict future trends and identify behavioral patterns
 - D) creates models indicating the best decision to make or course of action to take
- 190) What are predictive analytics?
- A) examines data or content to answer the question, "Why did it happen?"
 - B) describe past performance and history
 - C) extracts information from data and use it to predict future trends and identify behavioral patterns
 - D) creates models indicating the best decision to make or course of action to take
- 191) What are prescriptive analytics?
- A) examines data or content to answer the question, "Why did it happen?"
 - B) describe past performance and history
 - C) extracts information from data and use it to predict future trends and identify behavioral patterns
 - D) creates models indicating the best decision to make or course of action to take
- 192) What are the four primary areas of analytics?
- A) descriptive analytics, diagnostics analytics, predictive analytics, prescriptive analytics
 - B) descriptive analytics, primary analytics, secondary analytics, response analytics
 - C) descriptive analytics, diagnostics analytics, future analytics, past analytics
 - D) technique analytics, diagnostics analytics, future analytics, past analytics
- 193) What data is created by a machine without human intervention?
- A) human-generated data
 - B) machine-generated data
 - C) structured data
 - D) facts

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- 194) What data is generated by humans in interaction with computers?
- A) human-generated data
 - B) machine-generated data
 - C) machine-to-machine
 - D) big data
- 195) What type of structured data includes sensor data, point-of-sale data, and web log data?
- A) human-generated data
 - B) machine-generated data
 - C) collective intelligence
 - D) systems thinking data
- 196) Which of the following does NOT describe structured data?
- A) data with a defined length
 - B) emails, Twitter tweets, and text messages
 - C) spreadsheet data
 - D) data with a defined format
- 197) What captures data including annual carbon emissions and energy consumption, water usage, waste, pollution output?
- A) environmental data
 - B) social data
 - C) governance data
 - D) static data
- 198) What captures statistics related to workforce diversity, gender equity, human rights?
- A) environmental data
 - B) social data
 - C) governance data
 - D) static data
- 199) What captures company data regarding corruption, labor practices, gender composition of the board of directors?
- A) environmental data
 - B) social data
 - C) governance data
 - D) static data

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- 200) What is environmental data?
- A) captures data including annual carbon emissions and energy consumption, water usage, waste, pollution output
 - B) captures statistics related to workforce diversity, gender equity, human rights, etc.
 - C) captures company data regarding corruption, labor practices, gender composition of the board of directors, etc.
 - D) a data characteristic that stands for a value that changes or varies over time
- 201) What is social data?
- A) captures environmental data including annual carbon emissions and energy consumption, water usage, waste, pollution output
 - B) captures statistics related to workforce diversity, gender equity, human rights, etc.
 - C) captures company data regarding corruption, labor practices, gender composition of the board of directors, etc.
 - D) a data characteristic that stands for a value that changes or varies over time
- 202) What is governance data?
- A) captures environmental data including annual carbon emissions and energy consumption, water usage, waste, pollution output
 - B) captures statistics related to workforce diversity, gender equity, human rights, etc.
 - C) captures company data regarding corruption, labor practices, gender composition of the board of directors, etc.
 - D) a data characteristic that stands for a value that changes or varies over time
- 203) What is a snapshot?
- A) a world where devices or "things" can collect and share data with human intervention
 - B) a view of data at a particular moment in time
 - C) a camera
 - D) opportunities to change the way people purchase books
- 204) What is a view of data at a particular moment in time?
- A) knowledge
 - B) big data
 - C) snapshot
 - D) unstructured data

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- 205) What is a report?
- A) a document containing data organized in a table, matrix, or graphical format allowing users to easily comprehend and understand information
 - B) large complex datasets of people at a moment in time
 - C) a view of data at a particular moment in time
 - D) a view of people over time
- 206) What type of report is created based on data that does not change?
- A) static report
 - B) dynamic report
 - C) variable report
 - D) student report
- 207) What type of report changes automatically during creation?
- A) static report
 - B) dynamic report
 - C) variable report
 - D) student report
- 208) What type of report can include a sales report from last year or salary report from five years ago?
- A) static report
 - B) supply chain report
 - C) variable report
 - D) student report
- 209) What type of report can include updating daily stock market prices or the calculation of available inventory?
- A) static report
 - B) dynamic report
 - C) variable report
 - D) structured report
- 210) Who is a person that collects, queries, and consumes organizational data to uncover patterns and provide insights for strategic business decision making?
- A) data analyst
 - B) variable analyst
 - C) variable scientist
 - D) data scientist

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- 211) What is systematic computation analysis of data for the discovery, interpretation, and communication of meaningful patterns?
- A) analytics
 - B) algorithm
 - C) data analyst
 - D) data scientist
- 212) What is the scientific process of transforming data into information for making data-driven business decisions?
- A) business analytics
 - B) Internet of Things
 - C) variables
 - D) facts
- 213) Who extracts knowledge from data by performing statistical analysis, data mining, and advanced analytics on big data to identify trends, market changes, and other relevant information?
- A) data scientist
 - B) data analyst
 - C) data worker
 - D) big data
- 214) In terms of big data, what is variety?
- A) includes different forms of structured and unstructured data
 - B) includes the uncertainty of data, including biases, noise, and abnormalities
 - C) includes the scale of data
 - D) includes the analysis of streaming data as it travels around the Internet
- 215) In terms of big data, what is veracity?
- A) includes different forms of structured and unstructured data
 - B) includes the uncertainty of data, including biases, noise, and abnormalities
 - C) includes the scale of data
 - D) includes the analysis of streaming data as it travels around the Internet
- 216) In terms of big data, what is volume?
- A) includes different forms of structured and unstructured data
 - B) includes the uncertainty of data, including biases, noise, and abnormalities
 - C) includes the scale of data
 - D) includes the analysis of streaming data as it travels around the Internet

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- 217) In terms of big data, what is velocity?
- A) includes different forms of structured and unstructured data
 - B) includes the uncertainty of data, including biases, noise, and abnormalities
 - C) includes the scale of data
 - D) includes the analysis of streaming data as it travels around the Internet
- 218) In terms of big data, what includes different forms of structured and unstructured data?
- A) variety
 - B) veracity
 - C) volume
 - D) velocity
- 219) In terms of big data, what includes the uncertainty of data, including biases, noise, and abnormalities?
- A) variety
 - B) veracity
 - C) volume
 - D) velocity
- 220) In terms of big data, what includes the scale of data?
- A) variety
 - B) veracity
 - C) volume
 - D) velocity
- 221) What is a mathematical formula placed in software the performs analytics on a dataset?
- A) data analyst
 - B) big data
 - C) algorithm
 - D) velocity
- 222) In terms of big data, what includes the analysis of streaming data as it travels around the Internet?
- A) variety
 - B) veracity
 - C) volume
 - D) velocity

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- 223) What is a large collection of data, volumes of data - both structured and unstructured - containing greater variety, increased veracity, and with more velocity?
- A) big data
 - B) data scientist
 - C) data analyst
 - D) algorithm
- 224) Which type of analytics answers the question which candidate will win the election?
- A) predictive analytics
 - B) descriptive analytics
 - C) diagnostic analytics
 - D) prescriptive analytics
- 225) Which type of analytics answers the question how many products were sold last week?
- A) predictive analytics
 - B) descriptive analytics
 - C) diagnostic analytics
 - D) prescriptive analytics
- 226) Which type of analytics answers the question why did the machine break down?
- A) predictive analytics
 - B) descriptive analytics
 - C) diagnostic analytics
 - D) prescriptive analytics
- 227) Which type of analytics answers the question what is the best route for the driver to take to drop off packages?
- A) predictive analytics
 - B) descriptive analytics
 - C) diagnostic analytics
 - D) prescriptive analytics

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- 228) In Lou's Pizza Planet Inc., each department works independently. The sales and marketing department focuses on providing goods and services to customers and maintains transactional data, the finance and accounting department focuses on managing the organization's resources and maintains monetary data, and the human resources department focuses on hiring and training people and maintains employee data. In the context of how Lou's functions, which of the following best describes the situation?
- A) data silos
 - B) data democratization
 - C) data analyst
 - D) data scientist
- 229) What of the following occurs when one department is unable to freely communicate with other departments, making it difficult or impossible to work cross-functionally?
- A) data silos
 - B) data democratization
 - C) services
 - D) goods
- 230) How are most companies today typically organized?
- A) by departments or functional areas
 - B) by financial areas
 - C) by university degree
 - D) by knowledge area
- 231) Most companies are typically organized by departments or functional areas. Which of the following is not a common department found in a company?
- A) accounting
 - B) payroll
 - C) marketing
 - D) human resources
- 232) Which of the following is the department that maintains policies, plans, and procedures for the effective management of employees?
- A) human resources
 - B) sales resources
 - C) employee resources
 - D) employee relations

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- 233) Greg works for Geneva Steel Corporation. Greg's duties include managing the overall processes for the company and transforming the steel resources into goods. Which department would Greg most likely work in?
- A) accounting
 - B) operations management
 - C) marketing
 - D) legal
- 234) What is the department within a company that records, measures, and reports monetary transactions?
- A) accounting
 - B) marketing
 - C) human resources
 - D) operations management
- 235) What is the department within a company that performs the function of selling goods or services?
- A) marketing
 - B) sales
 - C) finance
 - D) operations management
- 236) What is the department within a company that supports the sales by planning, pricing, and promoting goods or services?
- A) sales
 - B) operations management
 - C) accounting
 - D) marketing
- 237) Which department tracks strategic financial issues, including money, banking, credit, investments, and assets?
- A) sales
 - B) operations management
 - C) accounting
 - D) finance

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- 238) Which department manages the process of converting or transforming resources into goods or services?
- A) sales
 - B) operations management
 - C) accounting
 - D) finance
- 239) Which department records, measures, and reports monetary transactions?
- A) sales
 - B) operations management
 - C) accounting
 - D) finance
- 240) Which department maintains policies, plans, and procedures for the effective management of employees?
- A) sales
 - B) operations management
 - C) accounting
 - D) human resources
- 241) Which activities belong in the accounting department?
- A) records, measures, and reports monetary transactions
 - B) tracks strategic financial issues, including money, banking, credit, investments, and assets
 - C) supports the sales by planning, pricing, and promoting goods or services
 - D) relies on information from operations to understand inventory, place orders, and forecast consumer demand
- 242) Which activities belong in the finance department?
- A) records, measures, and reports monetary transactions
 - B) tracks strategic financial issues, including money, banking, credit, investments, and assets
 - C) supports the sales by planning, pricing, and promoting goods or services
 - D) relies on information from operations to understand inventory, place orders, and forecast consumer demand

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- 243) Which activities belong in the marketing department?
- A) records, measures, and reports monetary transactions
 - B) tracks strategic financial issues, including money, banking, credit, investments, and assets
 - C) supports the sales by planning, pricing, and promoting goods or services
 - D) relies on information from operations to understand inventory, place orders, and forecast consumer demand
- 244) Which activities belong in the sales department?
- A) records, measures, and reports monetary transactions
 - B) tracks strategic financial issues, including money, banking, credit, investments, and assets
 - C) supports the sales by planning, pricing, and promoting goods or services
 - D) relies on information from operations to understand inventory, place orders, and forecast consumer demand
- 245) Which activities belong in the human resources department?
- A) records, measures, and reports monetary transactions
 - B) tracks strategic financial issues, including money, banking, credit, investments, and assets
 - C) supports the sales by planning, pricing, and promoting goods or services
 - D) maintains policies, plans, and procedures for the effective management of employees
- 246) Which activities belong in the operations management department?
- A) records, measures, and reports monetary transactions
 - B) manages the process of converting or transforming resources into goods or services
 - C) supports the sales by planning, pricing, and promoting goods or services
 - D) maintains policies, plans, and procedures for the effective management of employees
- 247) Which data types are typically found in the marketing department?
- A) promotion data, sales data, advertising data
 - B) employee data, promotion data, vacation data
 - C) investment data, monetary data, reporting data
 - D) transactional data, purchasing data, payroll data, tax data
- 248) Which data types are typically found in the human resources department?
- A) promotion data, sales data, advertising data
 - B) employee data, promotion data, vacation data
 - C) investment data, monetary data, reporting data
 - D) transactional data, purchasing data, payroll data, tax data

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- 249) Which data types are typically found in the finance department?
- A) promotion data, sales data, advertising data
 - B) employee data, promotion data, vacation data
 - C) investment data, monetary data, reporting data
 - D) transactional data, purchasing data, payroll data, tax data
- 250) Which data types are typically found in the accounting department?
- A) promotion data, sales data, advertising data
 - B) employee data, promotion data, vacation data
 - C) investment data, monetary data, reporting data
 - D) transactional data, purchasing data, payroll data, tax data
- 251) Which data types are typically found in the sales department?
- A) sales data, customer data, commission data, customer support data
 - B) employee data, promotion data, vacation data
 - C) investment data, monetary data, reporting data
 - D) transactional data, purchasing data, payroll data, tax data
- 252) Which data types are typically found in the operations management department?
- A) manufacturing data, distribution data, production data
 - B) sales data, customer data, commission data, customer support data
 - C) employee data, promotion data, vacation data
 - D) investment data, monetary data, reporting data
- 253) Which of the following describes the relationship between functional areas in a business?
- A) independent
 - B) autonomous
 - C) interdependent
 - D) self-sufficient
- 254) Which of the following represents the types of data commonly found in the finance department?
- A) monetary data
 - B) technology data
 - C) production data
 - D) employee data

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- 255) Which of the following represents the types of data commonly found in the human resource department?
- A) financial data
 - B) technology data
 - C) production data
 - D) employee data
- 256) Which of the following represents the types of data commonly found in the marketing department?
- A) promotional data
 - B) payroll data
 - C) tax data
 - D) employee data
- 257) Which of the following represents the types of data commonly found in the operations management department?
- A) monetary data
 - B) payroll data
 - C) production data
 - D) employee data
- 258) What is a conceptual framework that claims to promote the fair treatment of all people, especially in the workplace, including populations who have historically been under-represented or subject to discrimination because of their background or identity?
- A) diversity, equity, and inclusion
 - B) gender skills gap
 - C) systems thinking
 - D) chief information officer (CIO)
- 259) What is a conceptual framework that claims to promote the fair treatment of all people, especially in the workplace, including populations who have historically been under-represented or subject to discrimination because of their background or identity?
- A) diversity, equity, and inclusion
 - B) division, equity, and inclusion
 - C) systems thinking, equity, and inclusion
 - D) data, information, knowledge, and business intelligence

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- 260) What refers to the disparity in skills and capabilities between men and women in the workforce?
- A) diversity, equity, and inclusion
 - B) gender skills gap
 - C) systems thinking
 - D) chief information officer (CIO)
- 261) What refers to the disparity in skills and capabilities between men and women in the workforce?
- A) structured data gap
 - B) gender skills gap
 - C) systems thinking gap
 - D) analytics gap
- 262) Who is responsible for collecting, maintaining, and distributing company knowledge?
- A) chief knowledge officer (CKO)
 - B) chief privacy officer (CPO)
 - C) chief technology officer (CTO)
 - D) chief information officer (CIO)
- 263) Who is responsible for ensuring the ethical and legal use of information within a company?
- A) chief knowledge officer (CKO)
 - B) chief privacy officer (CPO)
 - C) chief technology officer (CTO)
 - D) chief information officer (CIO)
- 264) Who is responsible for ensuring the speed, accuracy, availability, and reliability of the management information systems?
- A) chief knowledge officer (CKO)
 - B) chief privacy officer (CPO)
 - C) chief technology officer (CTO)
 - D) chief information officer (CIO)
- 265) Who is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives?
- A) chief knowledge officer (CKO)
 - B) chief privacy officer (CPO)
 - C) chief technology officer (CTO)
 - D) chief information officer (CIO)

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- 266) Who is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks by hackers and viruses?
- A) chief knowledge officer (CKO)
 - B) chief security officer (CSO)
 - C) chief technology officer (CTO)
 - D) chief information officer (CIO)
- 267) Trina Hauger works for Johnson Electric as a corporate lawyer, and part of her duties are to ensure the ethical and legal use of information within the company. Which of the following represents Trina's role at Johnson Electric?
- A) chief knowledge officer (CKO)
 - B) chief privacy officer (CPO)
 - C) chief technology officer (CTO)
 - D) chief information officer (CIO)
- 268) Susan Johannes is an executive at Equality Title, where she is responsible for collecting, maintaining, and distributing knowledge for the company. What is Susan's role at Equality Title?
- A) chief knowledge officer (CKO)
 - B) chief technology officer (CTO)
 - C) chief information officer (CIO)
 - D) chief security officer (CSO)
- 269) Jeremy Bridges is an executive for Green Web Designs, where his primary role is to ensure the security of business systems and develop strategies to protect the company from online viruses and hackers. What is Jeremy's role within the company?
- A) chief executive officer (CEO)
 - B) chief security officer (CSO)
 - C) chief procurement officer (CPO)
 - D) chief technology officer (CTO)

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- 270) Eric Eberly holds an executive position at Parker Industries. He has designed and implemented a system to collect, maintain, and share information across the many departments of Parker Industries. He's also instilled an updating protocol requiring department heads to keep the system up to date. Based on this description, what position does Eric hold?
- A) chief information officer
 - B) chief security officer
 - C) chief data officer
 - D) chief knowledge officer
- 271) Cody Osterman holds an executive position at Trek Enterprises. His role is the newest senior executive position at the organization. He has advised the company on privacy procedures and processes and has initiated a training program for employees about the privacy policy, customer confidentiality, and data security. Based on this description, what position does Cody hold at Trek Enterprises?
- A) chief information officer
 - B) chief security officer
 - C) chief data officer
 - D) chief privacy officer
- 272) Sara McGuire holds an executive position at Henry Commerce. She is a big picture thinker and makes sure the technology strategy at Henry Commerce serves its business strategy. She has a well-rounded knowledge of MIS, and her primary responsibilities include the efficiency of Henry Commerce's MIS systems. Based on this description, what position does Sara hold?
- A) chief security officer
 - B) chief technology officer
 - C) chief data officer
 - D) chief privacy officer
- 273) Allana Nation holds an executive position at PH Corporation. He has an extensive understanding of networks and telecommunications. Adam is aware of the information technology threats the company faces and institutes security protocols and safeguards to secure the MIS systems at PH Corporation. Based on this description, what position does Allana hold?
- A) chief security officer
 - B) chief information officer
 - C) data scientist
 - D) data analyst

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- 274) Jasmine Coleman holds an executive position at Keck-Howes Group. Jasmine has improved the quality of the data gathered by the organization and has created a model to decrease the cost of managing data while increasing the value of the data gathered. Based on this description, what position does Jasmine hold at Keck-Howes Group?
- A) chief security officer
 - B) data analyst
 - C) chief data officer
 - D) chief officer
- 275) What is the ability for data to be collected, analyzed, and accessible to all end users?
- A) data democratization
 - B) diversity, equity, and inclusion
 - C) knowledge democratization
 - D) business data
- 276) What is a segment of a company (such as accounting, production, marketing) representing a specific business function?
- A) data democratization
 - B) business department
 - C) knowledge democratization
 - D) business data
- 277) You are working for a new boss, Jill Slater. Jill believes that all employees in the company should have access to the data they need when they need it for analysis and to make data-driven business decisions. Which term best describes Jill's business belief?
- A) data democratization
 - B) business department
 - C) systems thinking
 - D) algorithm
- 278) What is the action of making something accessible to everyone?
- A) democratization
 - B) business department
 - C) gender skills gap
 - D) business analytics

Chapter 01 Test Bank

- 279) In terms of system thinking, what is data entered in a computer?
- A) input
 - B) output
 - C) process
 - D) feedback
- 280) In terms of system thinking, what controls to ensure correct processing for the system?
- A) input
 - B) output
 - C) process
 - D) feedback
- 281) In terms of system thinking, what is the resulting information from the computer program?
- A) input
 - B) output
 - C) process
 - D) feedback
- 282) In terms of system thinking, what is the computer program that processes the data?
- A) input
 - B) output
 - C) process
 - D) feedback
- 283) In terms of system thinking, what is input?
- A) data entered in a computer
 - B) information that returns to its original transmitter (input, process, or output) and modifies the transmitter's actions
 - C) the resulting information from the computer program
 - D) the computer program that processes the data
- 284) In terms of system thinking, what is output?
- A) data entered in a computer
 - B) information that returns to its original transmitter (input, process, or output) and modifies the transmitter's actions
 - C) the resulting information from the computer program
 - D) the computer program that processes the data

Chapter 01 Test Bank

- 285) In terms of system thinking, what is process?
- A) data entered in a computer
 - B) information that returns to its original transmitter (input, process, or output) and modifies the transmitter's actions
 - C) the resulting information from the computer program
 - D) the computer program that processes the data
- 286) What is a way of monitoring the entire system in a company by viewing the multiple inputs being processed to produce outputs?
- A) data analyst
 - B) systems thinking
 - C) management
 - D) operational thinking
- 287) What is information that returns to its original transmitter (input, process, or output) and modifies the transmitter's actions?
- A) data analyst
 - B) feedback
 - C) systems management
 - D) operational thinking
- 288) What are material items or products that customers will buy to satisfy a want or need?
- A) goods
 - B) services
 - C) production
 - D) productivity
- 289) What are tasks performed by people that customers will buy to satisfy a want or need?
- A) goods
 - B) services
 - C) production
 - D) productivity
- 290) What is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services?
- A) goods
 - B) services
 - C) production
 - D) productivity

Chapter 01 Test Bank

- 291) What is the rate at which goods and services are produced based upon total output given total inputs?
- A) goods
 - B) services
 - C) production
 - D) productivity
- 292) What are goods?
- A) material items or products that customers will buy to satisfy a want or need
 - B) tasks performed by people that customers will buy to satisfy a want or need
 - C) the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services
 - D) the rate at which goods and services are produced based upon total output given total inputs
- 293) What are services?
- A) material items or products that customers will buy to satisfy a want or need
 - B) tasks performed by people that customers will buy to satisfy a want or need
 - C) the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services
 - D) the rate at which goods and services are produced based upon total output given total inputs
- 294) What is production?
- A) material items or products that customers will buy to satisfy a want or need
 - B) tasks performed by people that customers will buy to satisfy a want or need
 - C) the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services
 - D) the rate at which goods and services are produced based upon total output given total inputs
- 295) What is productivity?
- A) material items or products that customers will buy to satisfy a want or need
 - B) tasks performed by people that customers will buy to satisfy a want or need
 - C) the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services
 - D) the rate at which goods and services are produced based upon total output given total inputs

Chapter 01 Test Bank

- 296) Which category do cars, groceries, and clothing belong to?
- A) goods
 - B) services
 - C) production
 - D) productivity
- 297) Which category do teaching, waiting tables, and cutting hair belong?
- A) goods
 - B) services
 - C) production
 - D) productivity
- 298) Which of the following is considered goods?
- A) milk and eggs
 - B) managing a team
 - C) selling groceries
 - D) managing a sales team
- 299) The lettuce, tomatoes, patty, bun, and ketchup are included in which category of making a hamburger?
- A) input
 - B) process
 - C) output
 - D) feedback
- 300) Cooking a patty and putting the ingredients together are included in which category of making a hamburger?
- A) input
 - B) process
 - C) output
 - D) feedback
- 301) The actual hamburger is included in which category of making a hamburger?
- A) input
 - B) process
 - C) output
 - D) feedback

Chapter 01 Test Bank

- 302) Assume you are in the business of producing and selling hamburgers. If you could produce more hamburgers with the same input, what would happen to your productivity and profits assuming the price of your hamburgers remains the same?
- A) increase in productivity, decrease in profits
 - B) increase in productivity, increase in profits
 - C) decrease in productivity, decrease in profits
 - D) decrease in productivity, increase in profits
- 303) Assume you are in the business of producing and selling T-shirts. If you could produce more T-shirts with the same input, what would happen to your productivity and profits assuming the price of your T-shirts remains the same?
- A) increase in productivity, decrease in profits
 - B) increase in productivity, increase in profits
 - C) decrease in productivity, decrease in profits
 - D) decrease in productivity, increase in profits
- 304) Assume you are in the business of producing and selling cars. If you could produce more cars with the same input, what would happen to your productivity and profits assuming the price of your cars remains the same?
- A) increase in productivity, decrease in profits
 - B) increase in productivity, increase in profits
 - C) decrease in productivity, decrease in profits
 - D) decrease in productivity, increase in profits
- 305) Which four elements are included in systems thinking?
- A) output, process, feedback, and accounting
 - B) process, output, operations, and accounting
 - C) input, process, output, and feedback
 - D) input, output, sales, and feedback
- 306) MIS is a business function, like accounting or sales, which moves information about people, products, and processes across the company to facilitate decision making and problem solving. What does MIS stand for?
- A) management intelligence strategy
 - B) management intelligence system
 - C) management information system
 - D) management information strategist

Chapter 01 Test Bank

- 307) Shelby Black runs a very successful hair salon in downtown Los Angeles. One of Shelby's tasks is to input positive and negative customer reviews into her computer system to generate a report. What type of information is Shelby gathering?
- A) feedback
 - B) processing
 - C) output management
 - D) sales processing
- 308) If you were thinking about a washing machine as a system, which of the following represents the inputs?
- A) the dirty clothes, water, and detergent
 - B) the clean clothes
 - C) the wash and rinse cycles
 - D) the light indicating that the washer is off balance and has stopped
- 309) If you were thinking about a washing machine as a system, which of the following represents the process?
- A) the dirty clothes, water, and detergent
 - B) the clean clothes
 - C) the wash and rinse cycles
 - D) the light indicating that the washer is off balance and has stopped
- 310) If you were thinking about a washing machine as a system, which of the following represents the feedback?
- A) the dirty clothes, water, and detergent
 - B) the clean clothes
 - C) the wash and rinse cycles
 - D) the light indicating that the washer is off balance and has stopped
- 311) If you were thinking about a washing machine as a system, which of the following represents the outputs?
- A) the dirty clothes, water, and detergent
 - B) the clean clothes
 - C) the wash and rinse cycles
 - D) the light indicating that the washer is off balance and has stopped

Chapter 01 Test Bank

- 312) If you were thinking about an oven as a system, which of the following represents the input?
- A) the uncooked food
 - B) the cooked food
 - C) a light indicating that the oven has reached the preheated temperature
 - D) the oven running at 350 degrees for 20 minutes
- 313) If you were thinking about an oven as a system, which of the following represents the output?
- A) the uncooked food
 - B) the cooked food
 - C) a light indicating that the oven has reached the preheated temperature
 - D) the oven running at 350 degrees for 20 minutes
- 314) If you were thinking about an oven as a system, which of the following represents the process?
- A) the uncooked food
 - B) the cooked food
 - C) a light indicating that the oven has reached the preheated temperature
 - D) the oven running at 350 degrees for 20 minutes
- 315) If you were thinking about an oven as a system, which of the following represents the feedback?
- A) the uncooked food
 - B) the cooked food
 - C) a light indicating that the oven has reached the preheated temperature
 - D) the oven running at 350 degrees for 20 minutes
- 316) If you were thinking about a home theater system, which of the following represents the inputs?
- A) the DVD player, DVD movie, speakers, TV, and electricity
 - B) playing the movie, including the audio through the speakers and the video on the TV
 - C) a message stating that the disk is dirty and cannot be played
 - D) spinning the disk to play, pause, rewind, or fast forward

Chapter 01 Test Bank

- 317) If you were thinking about a home theater system, which of the following represents the outputs?
- A) the DVD player, DVD movie, speakers, TV, and electricity
 - B) playing the movie, including the audio through the speakers and the video on the TV
 - C) a message stating that the disk is dirty and cannot be played
 - D) spinning the disk to play, pause, rewind, or fast forward
- 318) If you were thinking about a home theater system, which of the following represents the process?
- A) the DVD player, DVD movie, speakers, TV, and electricity
 - B) playing the movie, including the audio through the speakers and the video on the TV
 - C) a message stating that the disk is dirty and cannot be played
 - D) spinning the disk to play, pause, rewind, or fast forward
- 319) If you were thinking about a home theater system, which of the following represents the feedback?
- A) the DVD player, DVD movie, speakers, TV, and electricity
 - B) playing the movie, including the audio through the speakers and the video on the TV
 - C) a message stating that the disk is dirty and cannot be played
 - D) spinning the disk to play, pause, rewind, or fast forward
- 320) What is a plan that details how a company creates, delivers, and captures value to generate revenues?
- A) data silo
 - B) business department
 - C) operating model
 - D) business model
- 321) What is a detailed plan describing how a business delivers its value creation to its internal and external customers via its business processes?
- A) data silo
 - B) business department
 - C) operating model
 - D) business model

Chapter 01 Test Bank

- 322) What is a plan that details how a company creates, delivers, and captures value to generate revenues?
- A) business supplier
 - B) business department
 - C) business customers
 - D) business model
- 323) What is a detailed plan describing how a business delivers its value creation to its internal and external customers via its business processes?
- A) systems thinking
 - B) diversity, equity, and inclusion
 - C) operating customer
 - D) operating model
- 324) Which of the following is a tool a manager can use to analyze competitive intelligence and identify competitive advantages?
- A) the three generic strategies
 - B) gender skills gap
 - C) differentiated costs
 - D) supplier loyalty
- 325) What is a competitive advantage?
- A) a product that an organization's customers place a lesser value on than similar offerings from a competitor
 - B) a feature of a product or service on which customers place a lesser value than they do on similar offerings from another supplier
 - C) a service that an organization's customers place a lesser value on than similar offerings from another supplier
 - D) a feature of a product or service on which customers place a greater value than they do on similar offerings from competitors
- 326) What is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed?
- A) feedback
 - B) information
 - C) competitive intelligence
 - D) data

Chapter 01 Test Bank

- 327) Who is a person or group that has an interest or concern in an organization?
- A) stakeholder
 - B) business strategy
 - C) supplier
 - D) partner
- 328) Which group of stakeholder's primary interests include reliable contracts, ethical materials handling, and responsible production?
- A) partners/suppliers
 - B) shareholders/investors
 - C) community
 - D) government
- 329) Which group of stakeholder's primary interests include adhering to regulations/laws, increasing employment, and ethical taxation reporting?
- A) partners/suppliers
 - B) shareholders/investors
 - C) community
 - D) government
- 330) Which group of stakeholder's primary interests include maximizing profits, growing market share, and high return on investment?
- A) partners/suppliers
 - B) shareholders/investors
 - C) community
 - D) government
- 331) Which group of stakeholder's primary interests include exceptional customer service, high-quality products, and ethical dealings?
- A) partners/suppliers
 - B) shareholders/investors
 - C) community
 - D) customers

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- 332) Which group of stakeholder's primary interests include fair compensation, job security, and ethical conduct/treatment?
- A) employees
 - B) shareholders/investors
 - C) community
 - D) customers
- 333) Which group of stakeholder's primary interests include professional associations, ethical recycling, and increasing employment?
- A) employees
 - B) shareholders/investors
 - C) community
 - D) customers
- 334) What is a feature of a product or service on which customers place a greater value than they do on similar offerings from competitors?
- A) competitive advantage
 - B) competitor advantage
 - C) customer advantage
 - D) first-mover advantage
- 335) Which of the following evaluates a project's position?
- A) SWOT analysis
 - B) Five Forces Model
 - C) data democratization strategy
 - D) three generic strategies
- 336) What evaluates industry attractiveness?
- A) SWOT analysis
 - B) Five Forces Model
 - C) business strategy analysis
 - D) three generic strategies
- 337) Which of the following describes a stakeholder?
- A) a leadership plan that achieves a specific set of goals or objectives
 - B) a feature of a product or service on which customers place a greater value
 - C) a person or group that has an interest or concern in an organization
 - D) information about a competitive environment

Chapter 01 Test Bank

- 338) What is included in a SWOT analysis?
- A) strengths, weaknesses, organizations, and technology
 - B) strengths, weaknesses, opportunities, and threats
 - C) success, willingness, opportunities, and technology
 - D) success, weaknesses, organizations, and threats
- 339) Which of the following statements is correct when considering a SWOT analysis?
- A) Strengths and weaknesses originate inside an organization.
 - B) Opportunities and threats originate inside an organization.
 - C) Strengths and threats originate inside an organization.
 - D) Opportunities and weaknesses originate outside an organization.
- 340) Which of the following statements is correct when considering a SWOT analysis?
- A) Strengths and weaknesses originate outside an organization.
 - B) Opportunities and threats originate outside an organization.
 - C) Strengths and threats originate inside an organization.
 - D) Opportunities and weaknesses originate outside an organization.
- 341) How would you categorize strengths in a SWOT analysis?
- A) internal, helpful
 - B) internal, harmful
 - C) external, helpful
 - D) external, harmful
- 342) How would you categorize weaknesses in a SWOT analysis?
- A) internal, helpful
 - B) internal, harmful
 - C) external, helpful
 - D) external, harmful
- 343) How would you categorize opportunities in a SWOT analysis?
- A) internal, helpful
 - B) internal, harmful
 - C) external, helpful
 - D) external, harmful

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- 344) How would you categorize threats in a SWOT analysis?
- A) internal, helpful
 - B) internal, harmful
 - C) external, helpful
 - D) external, harmful
- 345) What are the costs that make customers reluctant to switch to another product or service?
- A) business unit costs
 - B) switching costs
 - C) loyalty rewards
 - D) customer discounts
- 346) What includes all parties involved, directly or indirectly, in obtaining raw materials or a product?
- A) business unit costs
 - B) supply chain
 - C) business unit chain
 - D) supply choice
- 347) Which of the below represents a company in a supply chain?
- A) customer and competitor
 - B) supplier and competitor
 - C) knowledge worker and supplier
 - D) supplier and customer
- 348) What is one of the most common ways a company can decrease supplier power?
- A) charge lower prices
 - B) charge higher prices
 - C) use MIS to find and create alternative products
 - D) companies cannot impact supplier power
- 349) How can a company reduce the threat of substitute products or services?
- A) market the product to fewer than 10 customers
 - B) ignore competitive forces
 - C) offer additional value through wider product distribution
 - D) offer less value making the product far more generic and similar to the competition

Chapter 01 Test Bank

- 350) Which one of Porter's five forces is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market?
- A) threat of new entrants
 - B) threat of substitute products or services
 - C) threat of buyer power
 - D) supply chain competition
- 351) What is a feature of a product or service that customers have come to expect and entering competitors must offer the same if they want to survive?
- A) significant barrier
 - B) entry barrier
 - C) product differentiation
 - D) entry chain
- 352) Which of the following is an example in which Porter's five forces are mostly strong and competition is high?
- A) dog-walking business
 - B) professional soccer team
 - C) professional hockey team
 - D) professional football team
- 353) Amazon.com uses a customer profiling system whenever a customer visits its website. Using this system, Amazon can offer products tailored to that particular customer's profile and buying pattern. What is Amazon using to achieve this competitive advantage?
- A) rivalry
 - B) buyer power
 - C) product differentiation
 - D) substitute product
- 354) What is buyer power?
- A) the ability of buyers to affect the price they must pay for an item
 - B) the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services)
 - C) high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market
 - D) high when there are many alternatives to a product or service and low when there are few alternatives from which to choose

Chapter 01 Test Bank

- 355) What is supplier power?
- A) the ability of buyers to affect the price they must pay for an item
 - B) the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services)
 - C) high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market
 - D) high when there are many alternatives to a product or service and low when there are few alternatives from which to choose
- 356) What is the threat of substitute products or services?
- A) the ability of buyers to affect the price they must pay for an item
 - B) the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services)
 - C) high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market
 - D) high when there are many alternatives to a product or service and low when there are few alternatives from which to choose
- 357) What is the threat of new entrants?
- A) the ability of buyers to affect the price they must pay for an item
 - B) the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services)
 - C) high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market
 - D) high when there are many alternatives to a product or service and low when there are few alternatives from which to choose
- 358) What is the rivalry among existing competitors?
- A) the ability of buyers to affect the price they must pay for an item
 - B) the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services)
 - C) high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market
 - D) high when competition is fierce in a market and low when competitors are more complacent

Chapter 01 Test Bank

- 359) Porter identified three generic strategies that a business could follow after identifying a market it wanted to enter. Which of the following is not included as one of Porter's three generic strategies?
- A) broad differentiation
 - B) supplier cost differentiation
 - C) focused strategy
 - D) broad cost leadership
- 360) When analyzing Porter's three generic strategies for entering a market, if you have a focused strategy, what market should you target?
- A) a niche market
 - B) a broad market
 - C) neither niche nor broad markets
 - D) both niche and broad markets
- 361) Which of the following demonstrates a company that has implemented a low-cost, broad market strategy?
- A) Neiman Marcus
 - B) Payless Shoes
 - C) the Sharper Image
 - D) Walmart

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

- 362) Describe the information age and the differences between data, information, business intelligence, and knowledge.
- 363) Identify the different departments in a company and why they must work together to achieve success.

Chapter 01 Test Bank

- 364) Explain the concept of data silos and provide an example of their effect on a company.
- 365) Define the six primary MIS-related strategic positions in an organization along with their associated responsibilities.
- 366) Explain systems thinking and how management information systems enable business communications.
- 367) Explain why competitive advantages are temporary.
- 368) Identify the four key areas of a SWOT analysis.
- 369) Describe Porter's Five Forces Model and explain each of the five forces.

Chapter 01 Test Bank

370) Compare Porter's three generic strategies.

Chapter 01 Test Bank

Answer Key

Test name: Chapter 01 Test Bank

1) FALSE

This is the definition of business intelligence, which is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.

2) TRUE

3) TRUE

4) TRUE

5) FALSE

Zappos primary business focus is to sell shoes, bags, clothing, and accessories.

6) TRUE

7) TRUE

8) TRUE

9) TRUE

10) FALSE

The fourth industrial revolution represents the blending of the digital, physical, and biological worlds with rates of change operating at hypervelocity.

11) TRUE

12) TRUE

13) FALSE

Machine-to-machine (M2M) refers to two or more connected devices interacting via wireless or wired connections with the goal of data sharing and analytics without human intervention.

14) FALSE

The Internet of Things (IoT) is any device connected to the Internet with the goal of enhancing performance without human intervention.

15) TRUE

16) FALSE

Environmental data captures environmental data including annual carbon emissions and energy consumption, water usage, waste, pollution output, etc.

17) TRUE

18) FALSE

Chapter 01 Test Bank

Social data captures statistics related to workforce diversity, gender equity, human rights, etc.

19) TRUE

20) TRUE

21) TRUE

22) TRUE

23) FALSE

Using data, information, business intelligence, and knowledge to make decisions and solve problems is the key to finding success in business. These are also the core drivers of the information age and the building blocks of business systems.

24) TRUE

25) TRUE

26) TRUE

27) TRUE

28) TRUE

29) TRUE

30) FALSE

Variety includes different forms of structured and unstructured data.

31) FALSE

Veracity includes the uncertainty of data, including biases, noise, and abnormalities.

32) FALSE

A snapshot is a view of data at a particular moment in time.

33) TRUE

34) FALSE

A dynamic report can include updating daily stock market prices or the calculation of available inventory.

35) TRUE

36) TRUE

37) TRUE

38) TRUE

39) TRUE

40) TRUE

41) TRUE

42) FALSE

Chapter 01 Test Bank

Diagnostic analytics examines data or content to answer the question, "why did it happen?" This helps an organization determine the cause of a positive or negative outcome.

43) FALSE

Descriptive analytics describes past performance and history.

44) FALSE

Predictive analytics extracts information from data to predict future trends and identify behavioral patterns.

45) TRUE

46) TRUE

47) FALSE

Structured data is data that has a defined length, type, and format and includes numbers, dates, or strings such as Customer Address.

48) FALSE

Unstructured data is data that is not defined and does not follow a specified format and is typically free-form text such as emails, Twitter tweets, and text messages.

49) TRUE

50) TRUE

51) FALSE

Democratization is the action of making something accessible to everyone.

52) FALSE

The sales department performs the function of selling goods or services.

53) TRUE

54) TRUE

55) TRUE

56) TRUE

57) FALSE

A data silo occurs when one department is unable to freely communicate with other departments, making it difficult or impossible to work cross-functionally.

58) FALSE

For an organization to succeed, every department or functional area must work together or interdependently, sharing common information and not being a "silo."

59) TRUE

Chapter 01 Test Bank

60) TRUE

61) TRUE

62) TRUE

63) TRUE

64) TRUE

65) FALSE

The business decisions the finance department makes include investment data, monetary data, and reporting data.

66) FALSE

The business decisions the accounting department makes include transactional data, purchasing data, payroll data, and tax data.

67) FALSE

The business decisions the sales department makes include potential customer data, sales report data, commission data, and customer support data.

68) FALSE

The chief technology officer is responsible for ensuring the speed, accuracy, availability, and reliability for MIS.

69) TRUE

70) TRUE

71) TRUE

72) TRUE

73) TRUE

74) TRUE

75) FALSE

Diversity, equity, and inclusion is a conceptual framework that claims to promote the fair treatment of all people, especially in the workplace, including populations who have historically been under-represented or subject to discrimination because of their background or identity.

76) TRUE

77) TRUE

78) FALSE

An overview of the systems thinking includes input, process, output, and feedback.

79) TRUE

80) TRUE

81) TRUE

82) TRUE

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83) FALSE

Lettuce, tomatoes, patty, bun, and ketchup are included as inputs of making a hamburger.

84) TRUE

85) TRUE

86) TRUE

87) FALSE

If a business could produce the same hamburger with less expensive inputs, it would probably see an increase in profits.

88) TRUE

89) TRUE

90) TRUE

91) FALSE

Businesses constantly need to update business strategies as the business environment rapidly changes.

92) TRUE

93) FALSE

A business model is a plan that details how a company creates, delivers, and captures value to generate revenues. For example, a company can produce a business model to create and capture value by delivering online groceries in near real time to local customers.

94) TRUE

95) FALSE

An operating model is a detailed plan describing how a business delivers its value creation to its internal and external customers via its processes.

96) FALSE

A business model is a plan that details how a company creates, delivers, and captures value to generate revenues. For example, a company can produce a business model to create and capture value by delivering online groceries in near real time to local customers.

97) TRUE

98) FALSE

Increasing customer loyalty, decreasing costs, and increasing sales are all examples of business strategies.

99) FALSE

Chapter 01 Test Bank

Competitive intelligence is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed.

100) TRUE

101) TRUE

102) TRUE

103) FALSE

A SWOT analysis evaluates an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.

104) FALSE

A SWOT analysis evaluates an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.

105) TRUE

106) TRUE

107) TRUE

108) TRUE

109) TRUE

110) TRUE

111) FALSE

Michael Porter identified Porter's Five Forces Model, which analyzes the competitive forces within a business environment.

112) FALSE

Porter's Five Forces Model analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry.

113) TRUE

114) TRUE

115) TRUE

116) FALSE

This is an example of Porter's threat of substitute products or services.

117) TRUE

118) TRUE

119) FALSE

Buyer power is the ability of buyers to affect the price they must pay for an item.

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120) TRUE

121) FALSE

The threat of substitute products or services refers to the power of customers to purchase alternatives.

122) FALSE

Tiffany & Company is following a focused market with a high-cost differentiation strategy.

123) FALSE

Porter has identified three generic business strategies:

1. broad cost leadership
2. broad differentiation
3. focused strategy.

124) TRUE

125) TRUE

126) FALSE

Buyer power is included as one of Porter's five forces.

127) [A, C, D, G]

The core drivers of the information age include data, information, business intelligence, and knowledge.

128) [B, E, F, H, I]

The core drivers of the information age include data, information, business intelligence, and knowledge.

129) [A, D, E]

Quantity sold, customer number, and order date are examples of data.

130) [B, C]

Best customer and best-selling item are examples of data converted into information.

131) [A, C, E, G]

Variety, veracity, volume, and velocity are the four common characteristics of big data.

132) [B, D, F, H]

Variety, veracity, volume, and velocity are the four common characteristics of big data.

133) [A, C, E, G]

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Represents definitions of common characteristics of big data.

134) [A, B, E, F]

These are all forms of structured data.

135) [C, D, G, H]

These are all forms of unstructured data.

136) [B, C, D, F]

Descriptive, diagnostic, predictive, and prescriptive analytics are the four broad categories of analytics.

137) [A, E, G, H]

Descriptive, diagnostic, predictive, and prescriptive analytics are the four broad categories of analytics.

138) [C, D, G, H]

These are all forms of unstructured data.

139) [A, B, C, D, E]

These are all forms of input for making a hamburger.

140) [F, G]

These are all forms of unstructured data.

141) [H]

The hamburger is the output for the process of making a hamburger.

142) [A, B, C, H]

Accounting, operations management, finance, and marketing are common departments found in an organization.

143) [D, E, G]

CSO, CKO, and CIO are common MIS roles found in an organization.

144) [A, C, D, E]

All internal employees can access and analyze data with a data democratization strategy.

145) [A, B, C, E, F]

Chapter 01 Test Bank

Porter's five forces include: buyer power, supplier power, threat of substitute products or services, threat of new entrants, and rivalry among existing competitors.

146) [A, C, D]

Porter has identified three generic business strategies for entering a new market:

1. broad cost leadership
2. broad differentiation
3. narrow focused strategy.

147) C

The core drivers of the information age include data, information, business intelligence, and knowledge.

148) D

The core drivers of the information age include data, information, business intelligence, and knowledge.

149) D

The core drivers of the information age include data, information, business intelligence, and knowledge.

150) D

The core drivers of the information age include data, information, business intelligence, and knowledge.

151) A

Management information systems are everywhere in business.

152) A

A fact is the confirmation or validation of an event or object.

153) B

The information age has infinite quantities of facts that are widely available to anyone who can use a computer.

154) D

Amazon used technology to revamp the business process of selling books.

155) A

Netflix used technology to revamp the business process of renting videos.

Chapter 01 Test Bank

156) C

Zappos used technology to revamp the business process of selling shoes.

157) A

Data is raw facts that describe the characteristics of an event or object.

158) A

The fourth industrial revolution represents the blending of the digital, physical, and biological worlds with rates of change operating at hypervelocity.

159) A

The fourth industrial revolution represents the blending of the digital, physical, and biological worlds with rates of change operating at hypervelocity.

160) B

Big data represents large volumes of data - both structured and unstructured - containing greater variety, increased veracity, and with more velocity.

161) B

Information is data converted into a meaningful and useful context.

162) C

Business intelligence is information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making.

163) D

Knowledge includes skills, experience, and expertise, coupled with information and intelligence, which create a person's intellectual resources.

164) C

Best-selling item by month is information.

165) A

Quantity sold is data.

166) A

Data is raw facts that describe the characteristics of an event or object. Data for Cheryl would include "Craig Newmark is customer number 15467."

167) C

Chapter 01 Test Bank

Best-selling product by day is an example of information.

168) D

Knowledge would include knowing that the best baker is Tony and that when he works, the best-selling product changes.

169) D

"What is my worst-selling product?" is an example of taking data and turning it into information.

170) D

"Who is customer number 12345XX?" is an example of data.

171) A

Data, information, business intelligence, and knowledge are the core drivers of the information age.

172) B

A variable is a data characteristic that stands for a value that changes or varies over time and can be manipulated to help improve profits.

173) D

Business intelligence is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.

174) B

A variable is a data characteristic that stands for a value that changes or varies over time.

175) B

Information is data converted into a meaningful and useful context.

176) C

Machine-to-machine (M2M) refers to two or more connected devices interacting via wireless or wired connections with the goal of data sharing and analytics without human intervention.

177) B

Predictive analytics extracts information from data and uses it to predict future trends and identify behavioral patterns.

178) A

Chapter 01 Test Bank

The Internet of Things is any device connected to the Internet with the goal of enhancing performance without human intervention.

179) C

Machine-to-machine (M2M) refers to devices that connect directly to other devices.

180) B

Predictive analytics are techniques that extract information from data and use it to predict future trends and identify behavioral patterns.

181) D

A data analyst collects, queries, and consumes organizational data to uncover patterns and provide insights for strategic business decisions.

182) D

Analytics is The systematic computation analysis of data for the discovery, interpretation, and communication of meaningful patterns.

183) A

Business analytics is the scientific process of transforming data into information for making data-driven business decisions.

184) B

Descriptive analytics describe past performance and history.

185) D

Predictive analytics extracts information from data and uses it to predict future trends and identify behavioral patterns.

186) C

Prescriptive analytics creates models indicating the best decision to make or course of action to take.

187) A

Business analytics are the scientific process of transforming data into information for making data-driven business decisions.

188) B

Descriptive analytics describe past performance and history.

189) A

Chapter 01 Test Bank

Diagnostic analytics examines data or content to answer the question, "Why did it happen?"

190) C

Predictive analytics extracts information from data and uses it to predict future trends and identify behavioral patterns.

191) D

Prescriptive analytics creates models indicating the best decision to make or course of action to take.

192) A

The four primary areas of analytics include descriptive analytics, diagnostic analytics, predictive analytics, and prescriptive analytics.

193) B

Machine-generated data is created by a machine without human intervention

194) A

Human-generated data is data that humans, in interaction with computers, generate.

195) B

Machine-generated data includes sensor data, point-of-sale data, and web log data.

196) B

Structured data has a defined length, type, and format and includes numbers, dates, or strings, such as Customer Address. Structured data is typically stored in a traditional system such as a relational database or spreadsheet.

197) A

Environmental data captures environmental data including annual carbon emissions and energy consumption, water usage, waste, pollution output.

198) B

Social data captures statistics related to workforce diversity, gender equity, human rights.

199) C

Governance data captures company data regarding corruption, labor practices, gender composition of the board of directors.

200) A

Chapter 01 Test Bank

Environmental data captures environmental data including annual carbon emissions and energy consumption, water usage, waste, pollution output, etc.

201) B

Social data captures statistics related to workforce diversity, gender equity, human rights.

202) C

Governance data captures company data regarding corruption, labor practices, gender composition of the board of directors.

203) B

A snapshot is a view of data at a particular moment in time.

204) C

A snapshot is a view of data at a particular moment in time.

205) A

A report is a document containing data organized in a table, matrix, or graphical format allowing users to easily comprehend and understand information.

206) A

A static report is created based on data that does not change.

207) B

A dynamic report changes automatically during creation.

208) A

A static report is created based on data that does not change. Static reports can include a sales report from last year or a salary report from five years ago.

209) B

A dynamic report changes automatically during creation. Dynamic reports can include updating daily stock market prices or the calculation of available inventory.

210) A

A data analyst is a person that collects, queries, and consumes organizational data to uncover patterns and provide insights for strategic business decision making.

211) A

Chapter 01 Test Bank

Analytics are systematic computation analysis of data for the discovery, interpretation, and communication of meaningful patterns.

212) A

Business analytics is the scientific process of transforming data into information for making data-driven business decisions.

213) A

A data scientist extracts knowledge from data by performing statistical analysis, data mining, and advanced analytics on big data to identify trends, market changes, and other relevant information.

214) A

Variety includes different forms of structured and unstructured data.

215) B

Veracity includes the uncertainty of data, including biases, noise, and abnormalities.

216) C

Volume includes the scale of data.

217) D

Velocity includes the analysis of streaming data as it travels around the Internet.

218) A

Variety includes different forms of structured and unstructured data.

219) B

Veracity includes the uncertainty of data, including biases, noise, and abnormalities.

220) C

Volume includes the scale of data.

221) C

An algorithm is a mathematical formula placed in software the performs analytics on a dataset.

222) D

Velocity includes the analysis of streaming data as it travels around the Internet.

223) A

Chapter 01 Test Bank

Big data is large, volumes of data - both structured and unstructured - containing greater variety, increased veracity, and with more velocity.

224) A

Predictive analytics answers the question of which candidate will win the election.

225) B

Descriptive analytics answers the question how many products were sold last week.

226) C

Diagnostic analytics answers the question why did the machine break down.

227) D

Prescriptive analytics answers the question what is the best route for the driver to take to drop off packages.

228) A

A data silo occurs when one department is unable to freely communicate with other departments, making it difficult or impossible to work cross-functionally.

229) A

A data silo occurs when one department is unable to freely communicate with other departments, making it difficult or impossible to work cross-functionally.

230) A

Companies today are typically organized by departments or functional areas.

231) B

Payroll is part of the accounting department.

232) A

Human resources maintains policies, plans, and procedures for the effective management of employees.

233) B

Operations management manages the process of converting or transforming resources into goods or services.

234) A

Chapter 01 Test Bank

The department within a company that records, measures, and reports monetary transactions is accounting.

235) B

The department within a company that performs the function of selling goods or services is sales.

236) D

The department within a company that supports the sales by planning, pricing, and promoting goods or services is marketing.

237) D

Finance department tracks strategic financial issues, including money, banking, credit, investments, and assets.

238) B

Operations management department manages the process of converting or transforming resources into goods or services.

239) C

Accounting records, measures, and reports monetary transactions.

240) D

The human resources department maintains policies, plans, and procedures for the effective management of employees.

241) A

Accounting records, measures, and reports monetary transactions.

242) B

Finance department tracks strategic financial issues, including money, banking, credit, investments, and assets.

243) C

The department within a company that supports the sales by planning, pricing, and promoting goods or services is marketing.

244) D

Sales needs to rely on information from operations to understand inventory, place orders, and forecast consumer demand.

245) D

Chapter 01 Test Bank

Human resources maintains policies, plans, and procedures for the effective management of employees.

246) B

Operations management manages the process of converting or transforming resources into goods or services.

247) A

The marketing department includes promotion data, sales data, and advertising data.

248) B

The human resources department includes employee data, promotion data, and vacation data.

249) C

The finance department includes investment data, monetary data, and reporting data.

250) D

The accounting department includes transactional data, purchasing data, payroll data, and tax data.

251) A

The sales department has sales data, customer data, commission data, and customer support data.

252) A

The operations management department has manufacturing data, distribution data, and production data.

253) C

Functional areas are interdependent.

254) A

Monetary data is most commonly found in the finance department.

255) D

Employee data is most commonly found in the human resource department.

256) A

Promotional data is most commonly found in the marketing department.

257) C

Chapter 01 Test Bank

Production data is most commonly found in the operations management department.

258) A

Diversity, equity, and inclusion is a conceptual framework that claims to promote the fair treatment of all people, especially in the workplace, including populations who have historically been under-represented or subject to discrimination because of their background or identity.

259) A

Diversity, equity, and inclusion is a conceptual framework that claims to promote the fair treatment of all people, especially in the workplace, including populations who have historically been under-represented or subject to discrimination because of their background or identity.

260) B

The gender skills gap refers to the disparity in skills and capabilities between men and women in the workforce.

261) B

The gender skills gap refers to the disparity in skills and capabilities between men and women in the workforce.

262) A

The CKO is responsible for collecting, maintaining, and distributing company knowledge.

263) B

The CPO is responsible for ensuring the ethical and legal use of information within a company.

264) C

The CTO is responsible for ensuring the speed, accuracy, availability, and reliability of the management information systems.

265) D

The CIO is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives.

266) B

The CSO is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks by hackers and viruses.

267) B

The CPO is responsible for ensuring the ethical and legal use of information within a company.

Chapter 01 Test Bank

268) A

The chief knowledge officer (CKO) is responsible for collecting, maintaining, and distributing company knowledge.

269) B

The chief security officer is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks by hackers and viruses.

270) D

Based on this description, Eric is the chief knowledge officer (CKO) at Parker Industries.

271) D

Based on this description, Cody is the chief privacy officer (CPO) at Trek Enterprises.

272) B

Based on this description, Sara is the chief technology officer (CTO) of Henry Commerce.

273) A

Based on this description, Allana is the chief security officer (CSO) of PH Corporation.

274) C

Based on this description, Jasmine is the chief data officer (CDO) of Keck-Howes Group.

275) A

Data democratization is the ability for data to be collected, analyzed, and accessible to all end users.

276) B

A business department is a segment of a company (such as accounting, production, marketing) representing a specific business function.

277) A

Data democratization is the ability for data to be collected, analyzed, and accessible to all end users.

278) A

Democratization is the action of making something accessible to everyone.

279) A

Input is data entered in a computer.

Chapter 01 Test Bank

280) D

Feedback is the control that ensures correct processing for the system.

281) B

Output is the resulting information from the computer program.

282) C

Process is the computer program that processes the data.

283) A

Input is data entered in a computer.

284) C

Output is the resulting information from the computer program.

285) D

Process is the computer program that processes the data.

286) B

Systems thinking is a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part.

287) B

Feedback is information that returns to its original transmitter (input, process, or output) and modifies the transmitter's actions.

288) A

Goods are material items or products that customers will buy to satisfy a want or need.

289) B

Services are tasks performed by people that customers will buy to satisfy a want or need.

290) C

Production is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.

291) D

Productivity is the rate at which goods and services are produced based upon total output given total inputs.

292) A

Chapter 01 Test Bank

Goods are material items or products that customers will buy to satisfy a want or need.

293) B

Services are tasks performed by people that customers will buy to satisfy a want or need.

294) C

Production is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.

295) D

Productivity is the rate at which goods and services are produced based upon total output given total inputs.

296) A

Cars, groceries, and clothing belong in the goods category.

297) B

Teaching, waiting tables, and cutting hair belong in the services category.

298) A

Milk and eggs are groceries. Cars, groceries, and clothing belong in the goods category.

299) A

Lettuce, tomatoes, patty, bun, and ketchup are all included in the input category of making a hamburger.

300) B

Cooking a patty and putting the ingredients together are all included in the process category of making a hamburger.

301) C

The hamburger is the output in the process of making a hamburger.

302) B

If you could produce more hamburgers with the same input and the price of your hamburgers remained the same, productivity would increase, and profits would increase.

303) B

If you could produce more T-shirts with the same input and the price of your T-shirts remains the same, productivity would increase, and profits would increase.

Chapter 01 Test Bank

304) B

If you could produce more cars with the same input and the price of your cars remains the same, productivity would increase, and profits would increase.

305) C

The systems thinking process includes input, process, output, and feedback.

306) C

MIS stands for management information systems.

307) A

Feedback is information that returns to its original transmitter (input, transform, or output) and modifies the transmitter's actions.

308) A

The inputs for a washing machine include dirty clothes, water, and detergent.

309) C

The process for a washing machine includes the wash and rinse cycles.

310) D

The feedback for a washing machine includes a light indicating that the washer is off balance and has stopped.

311) B

The output for a washing machine includes clean clothes.

312) A

The input for an oven includes the uncooked food.

313) B

The output for an oven includes the cooked food.

314) D

The process for an oven includes running at 350 degrees for 20 minutes.

315) C

The feedback for an oven includes a light indicating that the oven has reached the preheated temperature.

316) A

Chapter 01 Test Bank

A home theater system requires inputs of the DVD player, DVD movie, speakers, TV, and electricity.

317) B

The output of a home theater system includes playing the movie, including the audio through the speakers and the video on the TV.

318) D

The process of a home theater system includes spinning the disk to play, pause, rewind, or fast forward.

319) C

The feedback from a home theater system includes a message stating that the disk is dirty and cannot be played.

320) D

A business model is a plan that details how a company creates, delivers, and captures value to generate revenues.

321) C

An operating model is a detailed plan describing how a business delivers its value creation to its internal and external customers via its business processes.

322) D

A business model is a plan that details how a company creates, delivers, and captures value to generate revenues.

323) D

An operating model is a detailed plan describing how a business delivers its value creation to its internal and external customers via its business processes.

324) A

The three generic strategies is a tool a manager can use to analyze competitive intelligence and identify competitive advantages.

325) D

This is the definition of competitive advantage.

326) C

Chapter 01 Test Bank

Competitive intelligence is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed.

327) A

A stakeholder is a person or group that has an interest or concern in an organization.

328) A

Partners/suppliers are primarily interested in reliable contracts, ethical materials handling, and responsible production.

329) D

The primary interests of government include adhering to regulations/laws, increasing employment, and ethical taxation reporting.

330) B

The primary interests of shareholders/investors include maximizing profits, growing market share, and high return on investment.

331) D

Customers' primary interests include exceptional customer service, high-quality products, and ethical dealings.

332) A

Employees' primary interests include fair compensation, job security, and ethical conduct/treatment.

333) C

The community's primary interests include professional associations, ethical recycling, and increasing employment.

334) A

A competitive advantage features a product or service on which customers place a greater value than they do on similar offerings from competitors.

335) A

A SWOT analysis evaluates a project's position.

336) B

Chapter 01 Test Bank

The Five Forces Model evaluates industry attractiveness.

337) C

A stakeholder is a person or group that has an interest or concern in an organization.

338) B

SWOT includes strengths, weaknesses, opportunities, and threats.

339) A

Strengths and weaknesses originate inside an organization.

340) B

Opportunities and threats originate outside an organization.

341) A

Strengths are internal and helpful.

342) B

Weaknesses are internal and harmful.

343) C

Opportunities are external and helpful.

344) D

Threats are external and harmful.

345) B

Switching costs are costs that make customers reluctant to switch to another product or service.

346) B

The supply chain includes all parties involved, directly or indirectly, in obtaining raw materials or a product.

347) D

In a typical supply chain, a company will be both a supplier and a customer.

348) C

Using MIS to find alternative products is one way of decreasing supplier power.

349) C

Chapter 01 Test Bank

One way a company can reduce the threat of substitute products or services is to offer additional value through wider product distribution.

350) A

Threat of new entrants, one of Porter's five forces, is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.

351) B

Entry barrier is a feature of a product or service that customers have come to expect, and entering competitors must offer the same for survival.

352) A

With Porter's Five Forces Model, these are all examples of strong forces that increase competition:

1. a single consumer purchasing milk
2. a company that makes pencils
3. coffee from McDonalds
4. a dog-walking business
5. a coffee shop.

353) C

Product differentiation is an advantage that occurs when a company develops unique differences in its products with the intent to influence demand.

354) A

Buyer power is the ability of buyers to affect the price they must pay for an item.

355) B

Supplier power is the suppliers' ability to influence the prices they charge for supplies.

356) D

The threat of substitute products or services is high when there are many alternatives to a product or service and low when there are few alternatives from which to choose.

357) C

The threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.

358) D

Chapter 01 Test Bank

Rivalry is high when competition is fierce in a market and low when competitors are more complacent.

359) B

Porter has identified three generic business strategies for entering a new market:

1. broad cost leadership
2. broad differentiation
3. focused strategy.

360) A

When analyzing Porter's three generic strategies for entering a market, if you have a focused strategy, you should target a narrow market, niche market, or unique market.

361) D

Walmart competes by offering a broad range of products at low prices. Its business strategy is to be the low-cost provider of goods for the cost-conscious consumer.

362) Short Answer

We live in the information age, when infinite quantities of facts are widely available to anyone who can use a computer. The core drivers of the information age include data, information, business intelligence, and knowledge. Data are raw facts that describe the characteristics of an event or object. Information is data converted into a meaningful and useful context. Business intelligence (BI) is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making. Knowledge includes the skills, experience, and expertise, coupled with information and intelligence that creates a person's intellectual resources. As you move from data to knowledge, you include more and more variables for analysis, resulting in better, more precise support for decision making and problem solving.

363) Short Answer

Chapter 01 Test Bank

Companies are typically organized by department or functional area such as accounting, finance, human resources, marketing, operations management, and sales. Although each department has its own focus and own data, none can work independently if the company is to operate as a whole. It is easy to see how a business decision made by one department can affect other departments. Functional areas are anything but independent in a business. In fact, functional areas are interdependent. Sales must rely on information from operations to understand inventory, place orders, calculate transportation costs, and gain insight into product availability based on production schedules. For an organization to succeed, every department or functional area must work together sharing common information and not be a “silo.” Information technology can enable departments to more efficiently and effectively perform their business operations.

364) Short Answer

A data silo occurs when one department is unable to freely communicate with other departments, making it difficult or impossible to work cross-functionally. As a result, sales may not have accurate, current information from production on product availability, and production may not fully understand the demand for the product.

365) Short Answer

The chief information officer (CIO) is responsible for overseeing all uses of information technology and ensuring the strategic alignment of MIS with business goals and objectives. The chief data officer (CDO) is responsible for determining the types of information the enterprise will capture, retain, analyze, and share. The chief technology officer (CTO) is responsible for ensuring the throughput, speed, accuracy, availability, and reliability of an organization’s information technology. The chief security officer (CSO) is responsible for ensuring the security of the MIS systems and developing strategies and MIS safeguards against attacks from hackers and viruses. The chief privacy officer (CPO) is responsible for ensuring the ethical and legal use of information within an organization. The chief knowledge officer (CKO) is responsible for collecting, maintaining, and distributing the organization’s knowledge.

366) Short Answer

Chapter 01 Test Bank

A system is a collection of parts that link to achieve a common purpose. Systems thinking is a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part. Feedback is information that returns to its original transmitter (input, transform, or output) and modifies the transmitter's actions. Feedback helps the system maintain stability. Management information systems (MIS) is a business function, like accounting and human resources, which moves information about people, products, and processes across the company to facilitate decision making and problem solving. MIS incorporates systems thinking to help companies operate cross-functionally. For example, to fulfill product orders, an MIS for sales moves a single customer order across all functional areas including sales, order fulfillment, shipping, billing, and finally customer service. Although different functional areas handle different parts of the sale, thanks to MIS, for the customer the sale is one continuous process.

367) Short Answer

A competitive advantage is a feature of a product or service on which customers place a greater value than they do on similar offerings from competitors. Competitive advantages provide the same product or service either at a lower price or with additional value that can fetch premium prices. Unfortunately, competitive advantages are typically temporary because competitors often quickly seek ways to duplicate them. In turn, organizations must develop a strategy based on a new competitive advantage. Ways that companies duplicate competitive advantages include acquiring new technology, copying business processes, and hiring away employees.

368) Short Answer

A SWOT analysis evaluates an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies. Strengths and weaknesses originate inside an organization, or internally. Opportunities and threats originate outside an organization, or externally, and cannot always be anticipated or controlled.

369) Short Answer

Porter's Five Forces Model analyzes the competitive forces within the environment in which a company operates, to assess the potential for profitability in an industry. Buyer power is the ability of buyers to affect the price they must pay for an item. Supplier power is the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services). The threat of substitute products or services is high when there are many alternatives to a product or service and low when there are few alternatives from which to choose. The threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to entering a market. Rivalry among existing competitors is high when competition is fierce in a market and low when competition is more complacent.

370) Short Answer

Chapter 01 Test Bank

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

1. broad cost leadership
2. broad differentiation, or
3. focused strategy. Broad strategies reach a large market segment. Focused strategies target a niche market. Focused strategies concentrate on either cost leadership or differentiation.