1) Purchase of information systems and telecommunications equipment constituted more than half of all capital investment in the United States in 2013.
Answer: TRUE
Diff: 2    Page Ref: 5
AACSB: Information technology
CASE: Comprehension
Learning Objective: 1 - How are information systems transforming business, and what is their relationship to globalization?

2) A business model describes how a company produces, delivers, and sells a product or service to create wealth.
Answer: TRUE
Diff: 1    Page Ref: 11
AACSB: Application of knowledge
CASE: Comprehension
Learning Objective: 2 - Why are information systems so essential for running and managing a business today?

3) Information systems consists of all the hardware and software that a firm needs to use in order to achieve its business objectives.
Answer: FALSE
Diff: 2    Page Ref: 13
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

4) An extranet is a private intranet extended to authorized users outside the organization.
Answer: TRUE
Diff: 1    Page Ref: 17
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its
people, organizational, and technology components?

5) Information systems literacy describes the behavioral approach to information systems, while computer literacy describes the technical approach.
Answer: FALSE
Diff: 1 Page Ref: 15
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

6) The dimensions of information systems are people, organizations, and information technology.
Answer: TRUE
Diff: 1 Page Ref: 15
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

7) In order to understand how a specific business firm uses information systems, you need to know something about the history and culture of the company.
Answer: TRUE
Diff: 1 Page Ref: 16
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

8) Developing a new product, fulfilling an order, or hiring a new employee are all examples of business processes.
Answer: TRUE
Diff: 1 Page Ref: 16
AACSB: Application of knowledge
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

9) Business processes are those logically related tasks for accomplishing tasks that have been formally encoded by an organization.
Answer: FALSE
Diff: 2 Page Ref: 16
AACSB: Application of knowledge
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?
10) Employee attitudes about their jobs, employers, or technology can have a powerful effect on their abilities to use information systems productively.
Answer: TRUE
Diff: 1 Page Ref: 16
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

11) A network requires at least three computers and a shared resource.
Answer: FALSE
Diff: 2 Page Ref: 17
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

12) An IT infrastructure provides the platform on which the firm can build its information systems.
Answer: TRUE
Diff: 1 Page Ref: 17
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

13) UPS's use of Web-based tools that allow customers to embed UPS functions, such as tracking and cost calculations, into their own Web sites was an information systems solution used to achieve customer intimacy.
Answer: TRUE
Diff: 3 Page Ref: 19
AACSB: Analytical thinking; Information technology
CASE: Analysis in terms of categorize
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

14) Identifying a problem includes agreeing that a problem exists.
Answer: TRUE
Diff: 1 Page Ref: 21
AACSB: Application of knowledge
CASE: Comprehension
Learning Objective: 4 - How will a four-step method for business problem solving help you solve information system-related problems?

15) Political conflict is an example of the people dimension of business problems.
16) As a result of new public laws, accountants are beginning to perform more technical duties, such as auditing systems and networks.
Answer: TRUE
Diff: 2  Page Ref: 25
AACSB: Information technology
CASE: Comprehension
Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

17) IT managerial jobs are outsourced easily because of the universal standards used by the Internet.
Answer: FALSE
Diff: 2  Page Ref: 27
AACSB: Analytical thinking; Information technology
CASE: Analysis in terms of examine
Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

18) An understanding of enterprise-wide systems for customer relationship management is one of the skills relevant to careers in marketing.
Answer: TRUE
Diff: 2  Page Ref: 26
AACSB: Information technology
CASE: Comprehension
Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

19) Whereas marketing and financial careers have been transformed by the growth in information systems, management has so far remained relatively unaffected.
Answer: FALSE
Diff: 2  Page Ref: 26
AACSB: Information technology
CASE: Comprehension
Learning Objective: 5 - How will information systems affect business careers, and what information systems skills and knowledge are essential?

20) There are two types of outsourcing: offshore outsourcing and foreign outsourcing.
Answer: FALSE
Diff: 2  Page Ref: 27
21) As discussed in the chapter opening case, the Giants' new ticketing information systems is an effort to achieve which of the primary business objectives?
A) Customer and supplier intimacy
B) Improved decision making
C) Operational excellence
D) New products and services
Answer: B
Diff: 3    Page Ref: 4

22) Journalist Thomas Friedman's description of the world as "flat" referred to:
A) the flattening of economic and cultural advantages of developed countries.
B) the use of the Internet and technology for instantaneous communication.
C) the reduction in travel times and the ubiquity of global exchange and travel.
D) the growth of globalization.
Answer: A
Diff: 2    Page Ref: 10

23) The six important business objectives of information system investment include all of the following except:
A) competitive advantage.
B) employee morale.
C) improved decision making.
D) survival.
Answer: B
Diff: 2    Page Ref: 11

24) The use of information systems because of necessity describes the business objective of:
A) survival.
25) All of the following choices describe ways for a company to achieve a competitive advantage, except:
A) producing a superior product and charging less than competitors.
B) implementing information systems to support better management decision making.
C) garnering more sales and profits than your competitors.
D) using information systems to create new and popular products that your competitors cannot duplicate.
Answer: B

26) Verizon's implementation of a Web-based digital dashboard to provide managers with real-time information, such as customer complaints, is an example of:
A) improved flexibility.
B) improved decision making.
C) improved efficiency.
D) customer and supplier intimacy.
Answer: B

27) The move of retail banking to use ATMs after Citibank unveiled its first ATMs illustrates the information system business objective of:
A) improved efficiency.
B) customer and supplier intimacy.
C) survival.
D) competitive advantage.
Answer: C
28) An information system can be defined technically as a set of interrelated components that collect (or retrieve), process, store, and distribute information to support:
A) decision making and control in an organization.
B) communications and data flow.
C) managers analyzing the organization's raw data.
D) the creation of new products and services.
Answer: A
Diff: 2 Page Ref: 13
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

29) The three activities in an information system that produce the information organizations use to control operations are:
A) information retrieval, research, and analysis.
B) input, output, and feedback.
C) input, processing, and output.
D) data analysis, processing, and feedback.
Answer: C
Diff: 1 Page Ref: 13
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

30) All of the following describe the effects of globalization except:
A) significant decreases in operating costs.
B) reduction of labor costs through outsourcing.
C) ability to find low-cost suppliers.
D) increases in transaction costs.
Answer: D
Diff: 3 Page Ref: 10-11
AACSB: Analytical thinking
CASE: Analysis in terms of appraise; differentiate
Learning Objective: 1 - How are information systems transforming business, and what is their relationship to globalization?

31) The average number of tickets sold daily online is an example of:
A) input.
B) raw data.
C) meaningful information.
D) output.
Answer: C
Diff: 1   Page Ref: 13
AACSB: Analytical thinking
CASE: Analysis in terms of categorize
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

32) Output:
A) is feedback that has been processed to create meaningful information.
B) is information that is returned to appropriate members of the organization to help them evaluate the input stage.
C) transfers raw data to the people who will use it or to the activities for which it will be used.
D) transfers processed information to the people who will use it or to the activities for which it will be used.
Answer: D
Diff: 1   Page Ref: 13
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

33) Converting raw data into a more meaningful form is called:
A) capturing.
B) processing.
C) organizing.
D) feedback.
Answer: B
Diff: 1   Page Ref: 13
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

34) An example of raw data from a national chain of automobile stores would be:
A) average of 13 Toyotas sold daily in Kentucky in 2007.
B) 300 Toyota RAV4s sold during fourth quarter 2007 in Kentucky.
C) 1 Toyota RAV4 sold January 7, 2008 in Louisville, Kentucky - $28000.
D) annual sales of Toyota RAV4s increased 2.4 percent.
Answer: C
Diff: 3   Page Ref: 13
AACSB: Analytical thinking
CASE: Analysis in terms of categorize
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?
35) Electronic computers and related software programs are the technical foundation, the tools and materials, of:
A) all business procedures.
B) information accumulation.
C) modern information systems.
D) all industrialized countries.
Answer: C
Diff: 2    Page Ref: 14-15
AACSB: Information technology
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

36) The field that deals with behavioral issues, as well as technical issues surrounding the development, use, and impact of information systems used by managers and employees in the firm, is called:
A) information systems literacy.
B) information systems architecture.
C) management information systems.
D) information technology infrastructure.
Answer: C
Diff: 2    Page Ref: 15
AACSB: Application of knowledge
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

37) A hierarchy:
A) results in a clear-cut division of labor.
B) is composed primarily of experts trained for different functions.
C) is a pyramid structure of rising authority and responsibility.
D) is used primarily in large organizations to define job roles.
Answer: C
Diff: 1    Page Ref: 16
AACSB: Application of knowledge
CASE: Comprehension
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

38) In a hierarchical organization, the upper levels consist of:
A) managerial and professional workers.
B) managerial, professional, and technical workers.
C) professional and operational workers.
D) managerial, professional, and operational workers.
Answer: B
Diff: 2    Page Ref: 16
Learning Objective: 3 - What exactly is an information system? How does it work? What are its people, organizational, and technology components?

39) The fundamental set of assumptions, values, and ways of doing things that has been accepted by most of a company's members is called its:
A) culture.
B) environment.
C) atmosphere.
D) values.
Answer: A
Diff: 1    Page Ref: 16

40) All of the following can be considered managerial responsibilities except:
A) making action plans to solve organizational problems.
B) creating new products and services.
C) designing new information systems.
D) allocating human resources to coordinate the work to be done.
Answer: C
Diff: 2    Page Ref: 17

41) Data management technology consists of:
A) the physical hardware and media used by an organization for storing data.
B) the detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.
C) the software governing the organization of data on physical storage media.
D) the hardware and software used to transfer data.
Answer: C
Diff: 2    Page Ref: 17