CHAPTER 2: Decisions and Processes: Value Driven Business

True / False Questions

1. Analytics is the science of fact-based decision making.
True   False

2. At the operational level employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change.
True   False

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

4. Operational decisions are considered structured decisions.
True   False

5. Asking "how many employees are out sick" is a type of operational question.
True   False

6. Strategic decisions are highly structured decisions.
True   False

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

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

9. Operational decisions or semistructured decisions arise in situations where established processes offer potential solutions.
True   False

10. Unstructured decisions occur in situations in which no procedures or rules exist to guide decision makers towards the correct choice.
True   False

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

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

13. Key performance indicators can focus on external and internal measurements.
True   False

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

15. Benchmarks are baseline values the system seeks to attain.
True   False

16. Effectiveness MIS metrics include throughput, transaction speed, and system availability.
True   False

17. Measuring the amount of website traffic is the best way to determine an organization's success.
True   False

18. A project is a temporary activity a company undertakes to create a unique product, service, or result.
True   False

19. Metrics are temporary activities a company undertakes to create a unique product, service, or result.
True   False

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

21. Efficiency MIS metrics include throughput, speed, and availability.
True   False

22. Effectiveness MIS metrics measure the impact MIS has on business processes and activities, including customer satisfaction and customer conversion rates.
True   False

23. Efficiency MIS metrics measure the impact MIS has on business processes and activities, including customer satisfaction and customer conversion rates.
True   False

24. Best practices are the most successful solutions or problem-solving methods that have been developed by a specific organization or industry.
True   False

25. Return on investment indicates the earning power of a project.
True   False

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

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

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

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

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

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

32. A model is a simplified representation or abstraction of reality.
True   False

33. Source documents are simplified representation or abstraction of reality.
True   False

34. Source documents are the original transaction records.
True   False

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

36. Visualization produces graphical displays of patterns and complex relationships in large amounts of data.
True   False

37. A digital dashboard produces graphical displays of patterns and complex relationships in large amounts of data.
True   False

38. Intelligent systems are various commercial applications of artificial intelligence.
True   False

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

40. Investment companies use genetic effectiveness metrics to help in trading decisions.
True   False

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

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

43. Fuzzy logic is a mathematical method of handling imprecise or subjective information.
True   False

44. Fuzzy logic is the process within a genetic algorithm of randomly trying combinations and evaluating the success (or failure) of the outcome.
True   False

45. Mutation is the process within a genetic algorithm of randomly trying combinations and evaluating the success (or failure) of the outcome.
True   False

46. Mutation is a mathematical method of handling imprecise or subjective information.
True   False

47. Virtual reality is a computer-simulated environment that can be a simulation of the real world or an imaginary world.
True   False

48. Augmented reality is the viewing of the physical world with computer-generated layers of information added to it.
True   False

49. Augmented reality is a computer-simulated environment that can be a simulation of the real world or an imaginary world.
True   False

50. Virtual reality is the viewing of the physical world with computer-generated layers of information added to it.
True   False

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

52. When evaluating the 5-steps in the order-to-delivery business process, step one includes creating a campaign and checking inventory, which are both part of the sales function.
True   False

53. Strategic planning is a customer-facing business process.
True   False

54. Product delivery is a customer-facing business process.
True   False

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

56. Core processes are business processes, such as manufacturing goods, selling products, and providing services that make up the primary activities in a value chain.
True   False

57. Core processes are patents that protect a specific set of procedures for conducting a particular business activity.
True   False

58. A business process patent is a patent that protects a specific set of procedures for conducting a particular business activity.
True   False

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

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

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

62. Business processes should never drive MIS choices and should be based on business strategies and goals.
True   False

63. A swim lane layout arranges the steps of a business process into a set of rows depicting the various elements.
True   False

64. A swim lane layout arranges the steps of a business process into a circle with pictures showing the process flows.
True   False

65. Redundancy occurs when a task or activity is never repeated.
True   False

66. Business process reengineering is the analysis and redesign of workflow within and between enterprises.
True   False

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

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

Multiple Choice Questions

69. Which of the following is a not a type of organizational information system?
A. Executive information system
B. Decisions support system
C. Analysis processing system
D. Transactional processing system

70. Which of the below is an important challenge facing managers today?
A. Making business decision
B. Solving business problems
C. Competing to win in today's market
D. All of the above

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

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

73. Which of the following is not included in the decision-making process?
A. Data Collection
B. Solution Benchmarking
C. Solution Generation
D. Solution Test

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

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

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

77. When evaluating the six-step decision making process, what occurs during the solution test step?
A. The process will begin again if the decisions made were incorrect
B. Defining the problem as clearly and precisely as possible
C. Details of every solution possible including ideas that seem far fetched
D. None of the above

78. Which of the below represents the structure of a typical organization?
A. Flat line
B. Pyramid
C. Circle
D. Cube

79. Which of the below represents the three different levels of a company pyramid from the top to the bottom?
A. Managerial – Strategic – Operational
B. Strategic – Managerial – Operational
C. Operational – Managerial – Strategic
D. Strategic – Operational - Managerial

80. Which of the below would you include as decisions and responsibilities typically found at the managerial level of a company?
A. Monthly Plans
B. Monthly Budgets
C. Weekly Schedule
D. All of the above

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

82. Data collection, solution generation, and solution implementation are all concepts associated which of the following processes?
A. The six-step problem solving process
B. The six-step decision making process
C. The four-step problem solving process
D. The four-step decision making process

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

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

85. Which of the below is not considered a part of decision making at the managerial level?
A. Installing productivity software
B. Creating a short-term budget
C. Allocating resources to a department
D. Monitoring performance of a project team

86. Which of the below key terms represents the types of decisions made at the operational, managerial, and strategic levels of a company?
A. Structured decisions
B. Unstructured decisions
C. Semistructured decisions
D. All of the above

87. At which level do managers develop the overall business strategies and monitor the performance of the organization and the competitive business environment?
A. Operational
B. Strategic
C. Managerial
D. Communications

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

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

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

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

92. What is the science of fact-based decision making?
A. Analytics
B. Structured decisions
C. Unstructured decisions
D. Semistructured decisions

93. What occurs in situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision?
A. Analytics
B. Structured decisions
C. Unstructured decisions
D. Semistructured decisions

94. What occurs in situations in which no procedures or rules exist to guide decision makers toward the correct choice?
A. Analytics
B. Structured decisions
C. Unstructured decisions
D. Semistructured decisions

95. What arises in situations where established processes offer potential solutions?
A. Analytics
B. Structured decisions
C. Unstructured decisions
D. Semistructured decisions

96. The structure of an organization is similar to a pyramid. The different levels require different types of information to assist with which of the following?
A. Decision making
B. Problem solving
C. Opportunity capturing
D. All of the above

97. At which level will a manager use analytics to make decisions?
A. Operational level
B. Managerial level
C. Strategic level
D. All of the above

98. At which level of an organization do employees develop, control, and maintain core business activities required to run the day-to-day operations?
A. Operational level
B. Managerial level
C. Strategic level
D. All of the above

99. At which level of an organization are employees continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change?
A. Operational level
B. Managerial level
C. Strategic level
D. All of the above

100. At which level of an organization do managers develop overall business strategies, goals, and objectives as part of the company's strategic plan?
A. Operational level
B. Managerial level
C. Strategic level
D. All of the above

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

125. Which of the following would efficiency MIS metrics measure?
A. Response time
B. System availability
C. Transaction speed
D. All of the above

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

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

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

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

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

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

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

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

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

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

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

137. What are the most successful solutions or problem-solving methods that have been developed by a specific organization or industry?
A. ROI
B. Metrics
C. Best practices
D. KPI

138. What indicates the earning power of a project?
A. ROI
B. Metrics
C. Best practices
D. KPI

139. What are measurements that evaluate results to determine whether a project is meeting its goals?
A. ROI
B. Metrics
C. Best practices
D. KPI

140. What are the crucial steps companies perform to achieve their goals and objectives and implement their strategies?
A. ROI
B. CSF
C. KPI
D. None of the above

141. What are the quantifiable metrics a company uses to evaluate progress toward critical success factors?
A. ROI
B. CSF
C. KPI
D. None of the above

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

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

144. What can a model accomplish?
A. Calculate risks
B. Understand uncertainty
C. Manipulate time
D. All of the above

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

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

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

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

149. What captures transaction and event information using technology to (1) process the information according to defined business rules, (2) store the information, and (3) update existing information to reflect the new information?
A. OLTP
B. OLAP
C. TPS
D. DSS

150. What is the basic business system that serves the operational level and assists in making structured decisions?
A. OLTP
B. OLAP
C. TPS
D. DSS

151. What encompasses all organizational information and its primary purpose is to support the performance of managerial analysis or semistructured decisions?
A. OLTP
B. OLAP
C. Analytical information
D. Transactional information

152. What encompasses all the information contained within a single business process or unit of work and its primary purpose is to support the performance of daily operational or structured decisions.
A. OLTP
B. OLAP
C. Analytical information
D. Transactional information

153. What is the manipulation of information to create business intelligence in support of strategic decision making?
A. OLTP
B. OLAP
C. TPS
D. DSS

154. What models information and provides assistance in evaluating and choosing among different courses of action?
A. OLTP
B. OLAP
C. TPS
D. DSS

155. What refers to the level of detail in the model or the decision-making process?
A. Granularity
B. Visualization
C. Digital Dashboard
D. All of the above

156. What produces graphical displays of patterns and complex relationships in large amounts of data?
A. Granularity
B. Visualization
C. Digital Dashboard
D. All of the above

157. What tracks KPIs and CSFs by compiling information from multiple sources and tailoring it to meet user needs?
A. Granularity
B. Visualization
C. Digital Dashboard
D. All of the above

158. Which of the below is considered an input in the systems thinking example of a TPS?
A. CRUD
B. Calculate
C. Report
D. Source Document

159. Which of the below is considered part of the process in the systems thinking example of a TPS?
A. Source Document
B. Calculate
C. Report
D. All of the above

160. Which of the below is considered the output in the systems thinking example of a TPS?
A. CRUD
B. Calculate
C. Report
D. Source Document

161. Which of the below is considered the input in the systems thinking example of a DSS?
A. TPS
B. What-If
C. Optimization
D. Forecasts

162. Which of the below is considered the process in the systems thinking example of a DSS?
A. TPS
B. Optimization
C. Forecasts
D. Simulation

163. Which of the below is considered the output in the systems thinking example of a DSS?
A. TPS
B. Optimization
C. Goal Seeking
D. Forecasts

164. Which of the below is correct in terms of granularity?
A. Refers to the level of detail in the model
B. The greater the granularity the deeper the level of detail of the data
C. The greater the granularity the deeper the level of fineness of the data
D. All of the above

165. Which of the following is a potential feature of a digital dashboard?
A. A hot list of KPIs refreshed every 15 minutes
B. A running line graph of planned versus actual production for the past 24 hours
C. A graph of stock market prices
D. All of the above

166. What is a simplified representation or abstraction of reality?
A. Model
B. Metric
C. Redundancy
D. Sensitivity Analysis

167. What can a manager use a model to do?
A. Calculate risk
B. Change variables
C. Understand uncertainty
D. All of the above

168. What would managers use to make structured decisions at the operational level?
A. Transactional information
B. Analytical information
C. An EIS system
D. Intelligent system

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

170. What are the three primary types of management information systems available to support decision making across the company levels?
A. Transaction Processing Systems, Decision Support Systems, Executive Information Systems
B. Analytical Information, Decision Support Systems, Executive Information Systems
C. Transaction Processing Systems, Drill-Down Systems, Expert Systems
D. What-If Analysis, Sensitivity Analysis, Goal-Seeking Analysis

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

172. What is the flow that a systems thinking approach using a TPS would follow?
A. Streamlining (Input) - CRUD, Calculate (Process) - Reports (Output)
B. Source Documents (Input) - Optimization Analysis (Process) - (Feedback) - (Output)
C. Source Documents (Input) - CRUD, Calculate (Process) - Reports (Output) - (Feedback)
D. Selling Documents (Input) - Cycle Time (Process) - Reports (Output) - (Feedback)

173. Online transaction processing (OLTP) is the capturing of transaction and event information using technology to _____.
A. Update existing information to reflect the new information
B. Store the information
C. Process the information according to defined business rules
D. All of the above

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

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

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

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

178. Which of the below represent the four main DSS analysis techniques outlined in the chapter?
A. What-If Analysis, Sensitivity Analysis, Goal-Seeking Analysis, Optimization Analysis
B. Workflow Analysis, Sensitivity Analysis, Growth Analysis, Organizational Analysis
C. What-If Analysis, Structured Analysis, Goal-Seeking Analysis, Optimization Analysis
D. What-If Analysis, Sensitivity Analysis, Growth Analysis, Organizational Analysis

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

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

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

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

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

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

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

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

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

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

189. Which of the below is offered by a digital dashboard?
A. Consolidation
B. Drill-down
C. Slice-and-Dice
D. All of the above

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

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

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

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

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

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

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

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

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

199. Which industry has been relying on neural network technology for over two decades?
A. Food service
B. Hotels
C. Finance
D. Healthcare

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

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

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

203. Which of the below does not represent a category of AI?
A. Genetic algorithms
B. Neural networks
C. Expert systems
D. Consolidation

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

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

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

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

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

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

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

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

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

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

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

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

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

217. What is the viewing of the physical world with computer-generated layers of information added to it?
A. Virtual reality
B. Augmented reality
C. Virtual workforce
D. All of the above

218. What is a computer-simulated environment that can be a simulation of the real world or an imaginary world?
A. Virtual reality
B. Augmented reality
C. Virtual workforce
D. All of the above

219. What is the process within a genetic algorithm of randomly trying combinations and evaluating the success (or failure) of the outcome?
A. Augmented reality
B. Mutation
C. Fuzzy logic
D. Shopping bot

220. What is software that will search several retailer websites and provide a comparison of each retailer's offerings including prices and availability?
A. Augmented reality
B. Mutation
C. Fuzzy logic
D. Shopping bot

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

222. Which of the following departments is primarily responsible for promoting discounts, attracting customers, and communicating marketing campaigns?
A. Accounting and Finance
B. Marketing and Sales
C. Operations Management
D. Human Resources

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

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

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

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

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

228. Which of the below represents business processes you would find in the human resources department?
A. Hiring employees
B. Enrolling employees in benefit plans
C. Tracking vacation and sick time
D. All of the above

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

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

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

232. When considering the 5-steps of the order-to-delivery business process, creating campaigns and checking inventory are included in which of the following?
A. Step 4 - Sales
B. Step 1 - Marketing
C. Step 3 – Operations management
D. Step 2 – Customer service

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

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

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

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

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

238. Sarah Schin was recently hired by Bank West as the Global Director of Human Resources. Her job duties include determining employment policies as well as overseeing all hiring, firing, and training of employees. What type of processes does Sarah's new job demonstrate?
A. Business-facing processes
B. Industry-specific customer facing processes
C. Customer-facing process
D. Industry-specific business-facing processes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

256. Automating a business process that contains _____ will magnify or amplify these problems if they are not corrected first.
A. Bottlenecks or regulations
B. Redundancies or regulations
C. Bottlenecks or redundancies
D. Redundancies or swim lanes

257. Fedex is a great example of a company that created a competitive advantage through combining MIS and _____.
A. Traditional distribution and logistics processes
B. Logistic processes and an As-Is process model
C. Artificial intelligence and As-Is process model
D. Swim lanes and logistic processes

258. What is the analysis and redesign of workflow within and between enterprises?
A. Critical success factors (CSFs)
B. Benchmarking metrics
C. Business process reengineering (BPR)
D. Decision support interfaces (DSI)

259. Changing business processes with MIS outlines how to improve the three levels of business processes which include operational, managerial, and strategic. From operational to strategic, what are the three major improvement strategies that the author describes?
A. Automation – streamlining - reengineering
B. Artificial intelligence – streamlining - reengineering
C. Automation – workflow - reinvention
D. Automation – consolidating - restructuring

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

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

262. What includes the tasks, activities, and responsibilities required to execute each step in a business process?
A. Workflow
B. Swim lane
C. Automation
D. Streamlining

263. What is the process of computerizing manual tasks, making them more efficient and effective and dramatically lowering operational costs?
A. Workflow
B. Swim lane
C. Automation
D. Streamlining

264. What improves business process efficiencies by simplifying or eliminating unnecessary steps?
A. Workflow
B. Swim lane
C. Automation
D. Streamlining

265. What occurs when resources reach full capacity and cannot handle any additional demands limiting throughput and impeding operations?
A. Bottlenecks
B. Redundancy
C. Automation
D. Streamlining

266. What occurs when a task or activity is unnecessarily repeated?
A. Bottlenecks
B. Redundancy
C. Automation
D. Streamlining

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

Fill in the Blank Questions

268. _____ decisions are considered operational, and involve situations where established processes offer potential solutions.

_____

269. The typical structure of a business organization is similar to a pyramid and consists, from top to bottom, of strategic, managerial, and _____ levels.

_____

270. At the _____ level, of a business structure, employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change.

_____

271. The _____ level, of a business structure, is where employees develop, control, and maintain core business activities required to run the day-to-day activities.

_____

272. The President and Vice-President of a company are typically found in the _____ level of the business structure.

_____

273. Situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision are considered _____ decisions.

_____

274. _____ is the science of fact-based decision making.

_____

275. The structure of a typical organization is similar to a _____.

_____

276. A _____ is a temporary activity a company undertakes to create a unique product, service, or result.

_____

277. The crucial steps companies perform to achieve their goals and objectives and implement their strategies are called _____ success factor.

_____

278. _____ MIS metrics measure the impact MIS has on business processes and activities including customer satisfaction and customer conversion rates.

_____

279. _____ MIS metrics measure the performance of the IT system itself including throughput, speed, availability, etc.

_____

280. _____ focuses on how well an organization is achieving its goals and objectives.

_____

281. _____ focuses on the extent to which an organization is using its resources in an optimal way.

_____

282. _____ are baseline values the system seeks to attain.

_____

283. _____ is a process of continuously measuring system results, comparing those results to optimal system performance, and identifying steps and procedures to improve system performance.

_____

284. _____ is the amount of information that can travel through a system at any point in time.

_____

285. System _____ is the number of hours a system is available for use by customers and employees.

_____

286. _____ practices are the most successful solutions or problem-solving methods that have been developed by a specific organization or industry.

_____

287. _____ seeking analysis finds the inputs necessary to achieve a goal such as a desired level of output.

_____

288. The basic business system that serves the operational level (analysts) and assists in making structure decisions is called _____ processing system.

_____

289. Using systems thinking, we can see that the inputs for a transaction processing system are_____ documents, the original transaction record.

_____

290. _____ support systems model information using OLAP which provides assistance in evaluating and choosing among different courses of action.

_____

291. A _____ is a simplified representation or abstraction of reality.

_____

292. _____ information systems is a specialized DSS that supports senior-level executives and unstructured, long-term, nonroutine decisions requiring judgment, evolution and insight.

_____

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

_____

294. _____ produces graphical displays of patterns and complex relationships in large amounts of data.

_____

295. A digital _____ tracks KPIs and CSFs by compiling information from multiple sources and tailoring it to meet user needs.

_____

296. A model is a simplified representation or abstraction of _____.

_____

297. A decision support system models _____ to support managers and business professionals during the decision-making process.

_____

298. _____ analysis occurs when users change the value of one variable repeatedly and observe the resulting changes in other variables.

_____

299. What-if analysis checks the impact of a _____ in an assumption on the proposed solution.

_____

300. _____ logic is a mathematical method of handling imprecise or subjective information.

_____

301. _____ systems are various commercial applications of artificial intelligence.

_____

302. Artificial intelligence simulates _____ intelligence such as the ability to reason and learn.

_____

303. _____ systems are computerized advisory programs that imitate the reasoning processes of experts in solving difficult problems.

_____

304. A(n) _____ agent is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users.

_____

305. Executive information systems are starting to take advantage of _____ intelligence to support strategic decision making, by stimulating human thinking and behavior.

_____

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

_____

307. Citibank uses _____ networks to find opportunities in financial markets by carefully examining historical stock market data.

_____

308. At Microsoft's headquarters in Washington they have implemented a _____ workforce to help alleviate congestion, save on real estate, and potentially increase worker production.

_____

309. The _____ facing processes are also called front-office processes that result in a product or service received by an external customer.

_____

310. Customer facing processes result in a product or service that is received by an organization's _____ customer.

_____

311. _____ processes are business processes, such as manufacturing goods, selling products, and providing service that make up the primary activities in a value chain.

_____

312. A business process _____ is a patent that protects a specific set of procedures for conducting a particular business activity.

_____

313. A _____ lane layout arranges the steps of a business process into a set of rows depicting the various elements.

_____

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

_____

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

_____

316. To-Be process _____ represent the current state of the operation that has been mapped, without any specific improvements or changes to existing processes.

_____

317. A _____ occurs when resources reach full capacity and cannot handle any additional demands.

_____

318. The primary types of business process change from the operational level to the strategic level are _____, streamlining, and reengineering.

_____

319. Business process reengineering is the analysis and _____ of workflow within and between enterprises.

_____

320. _____ includes the tasks, activities, and responsibilities required to execute each step in a business process.

_____

321. _____ is the process of computerizing manual tasks, making them more efficient and effective and dramatically lowering operational costs.

_____

322. _____ improves business process efficiencies by simplifying or eliminating unnecessary steps in a process.

_____

323. A business _____ management system focuses on evaluating and improving processes that include both person-to-person workflow and system-to-system communications.

_____

Essay Questions

324. Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

325. Define critical success factors (CSFs) and key performance indicators (KPIs), and explain how managers use them to measure the success of MIS projects.

326. Classify the different operational support systems, managerial support systems, and strategic support systems, and explain how managers can use these systems to make decisions and gain competitive advantages.

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

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

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

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

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

True / False Questions

1. *(p. 46)* Analytics is the science of fact-based decision making.
<u>TRUE</u>

Analytics is the science of fact-based decision making.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

2. *(p. 46)* At the operational level employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change.
<u>FALSE</u>

At the managerial level employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

3. *(p. 46)* At the operational level employees develop, control, and maintain core business activities required to run the day-to-day operations.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

4. *(p. 46)* Operational decisions are considered structured decisions.
TRUE

Operational decisions are considered structured decisions.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

5. *(p. 46)* Asking "how many employees are out sick" is a type of operational question.
TRUE

Asking "how many employees are out sick" is a type of operational question.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

6. *(p. 46)* Strategic decisions are highly structured decisions.
FALSE

Strategic decisions are highly unstructured decisions.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

7. *(p. 46)* One of the most important and challenging questions confronting managers today is how to lay the foundation for tomorrow's success while competing to win in today's business environment.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

8. *(p. 46)* The structure of a typical organization is similar to a pyramid, with different levels that require one consistent type of information to assist with all managerial decision making.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

9. *(p. 46)* Operational decisions or semistructured decisions arise in situations where established processes offer potential solutions.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

10. *(p. 46)* Unstructured decisions occur in situations in which no procedures or rules exist to guide decision makers towards the correct choice.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

11. *(p. 46)* At the strategic decision-making level employees develop, control, and maintain core business activities.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

12. *(p. 49)* The construction of a new city subway station and the processing of monthly payroll are both considered types of projects as defined in your text.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 3 Hard
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

13. *(p. 49)* Key performance indicators can focus on external and internal measurements.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

14. *(p. 50)* The proportion of the market that a firm captures is called market share.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

15. *(p. 52)* Benchmarks are baseline values the system seeks to attain.
TRUE

Benchmarks are baseline values the system seeks to attain.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

16. *(p. 52)* Effectiveness MIS metrics include throughput, transaction speed, and system availability.
FALSE

Efficiency MIS metrics include throughput, speed, and availability.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

17. *(p. 49)* Measuring the amount of website traffic is the best way to determine an organization's success.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

18. *(p. 49)* A project is a temporary activity a company undertakes to create a unique product, service, or result.
TRUE

A project is a temporary activity a company undertakes to create a unique product, service, or result.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

19. *(p. 49)* Metrics are temporary activities a company undertakes to create a unique product, service, or result.
FALSE

A project is a temporary activity a company undertakes to create a unique product, service, or result.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

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

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

21. *(p. 52)* Efficiency MIS metrics include throughput, speed, and availability.
TRUE

Efficiency MIS metrics include throughput, speed, and availability.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

22. *(p. 52)* Effectiveness MIS metrics measure the impact MIS has on business processes and activities, including customer satisfaction and customer conversion rates.
TRUE

Effectiveness MIS metrics measure the impact MIS has on business processes and activities, including customer satisfaction and customer conversion rates.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

23. *(p. 52)* Efficiency MIS metrics measure the impact MIS has on business processes and activities, including customer satisfaction and customer conversion rates.
FALSE

Effectiveness MIS metrics measure the impact MIS has on business processes and activities, including customer satisfaction and customer conversion rates.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

24. *(p. 50)* Best practices are the most successful solutions or problem-solving methods that have been developed by a specific organization or industry.
TRUE

Best practices are the most successful solutions or problem-solving methods that have been developed by a specific organization or industry.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

25. *(p. 50)* Return on investment indicates the earning power of a project.
TRUE

Return on investment indicates the earning power of a project.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

26. *(p. 54)* MIS support systems rely on models for computational and analytical routines that mathematically express relationships among variables.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

27. *(p. 55)* Streamlining information encompasses all of the information contained within a single business process or unit of work, and its primary purpose is to support the performing of daily operational or structured decisions.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

28. *(p. 55)* Sensitivity analysis, what-if analysis, optimization analysis, and market basket analysis are the common DSS analysis techniques.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

29. *(p. 55)* Digital dashboards offer consolidation, drill-down, and slice-and-dice capabilities.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

30. *(p. 55)* Managers use transactional information when making structured decisions at the operational level.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

31. *(p. 55)* The manipulation of information to create business intelligence in support of strategic decision making is referred to as OLTP or online transaction processing.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

32. *(p. 55)* A model is a simplified representation or abstraction of reality.
TRUE

A model is a simplified representation or abstraction of reality.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

33. *(p. 56)* Source documents are simplified representation or abstraction of reality.
FALSE

A model is a simplified representation or abstraction of reality.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

34. *(p. 56)* Source documents are the original transaction records.
TRUE

Source documents are the original transaction records.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

35. *(p. 55)* Granularity refers to the level of detail in the model or the decision-making process.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

36. *(p. 55)* Visualization produces graphical displays of patterns and complex relationships in large amounts of data.
TRUE

Visualization produces graphical displays of patterns and complex relationships in large amounts of data.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

37. *(p. 56)* A digital dashboard produces graphical displays of patterns and complex relationships in large amounts of data.
FALSE

Visualization produces graphical displays of patterns and complex relationships in large amounts of data.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

38. *(p. 60)* Intelligent systems are various commercial applications of artificial intelligence.
TRUE

Intelligent systems are various commercial applications of artificial intelligence

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

39. *(p. 60)* A neural network is a category of efficiency metrics where it attempts to measure the way the human brain works.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

40. *(p. 61)* Investment companies use genetic effectiveness metrics to help in trading decisions.
FALSE

Investment companies use genetic algorithms to help in trading decisions.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

41. *(p. 61)* A shopping bot is one of the simplest examples of an intelligent agent.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

42. *(p. 61)* At Microsoft's headquarters, to eliminate congestion and save on other business expenses the company offered employees the option to work virtually from home.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

43. *(p. 61)* Fuzzy logic is a mathematical method of handling imprecise or subjective information.
TRUE

Fuzzy logic is a mathematical method of handling imprecise or subjective information.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

44. *(p. 62)* Fuzzy logic is the process within a genetic algorithm of randomly trying combinations and evaluating the success (or failure) of the outcome.
FALSE

Mutation is the process within a genetic algorithm of randomly trying combinations and evaluating the success (or failure) of the outcome

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

45. *(p. 62)* Mutation is the process within a genetic algorithm of randomly trying combinations and evaluating the success (or failure) of the outcome.
TRUE

Mutation is the process within a genetic algorithm of randomly trying combinations and evaluating the success (or failure) of the outcome.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

46. *(p. 62)* Mutation is a mathematical method of handling imprecise or subjective information.
FALSE

Fuzzy logic is a mathematical method of handling imprecise or subjective information.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

47. *(p. 63)* Virtual reality is a computer-simulated environment that can be a simulation of the real world or an imaginary world.
TRUE

Virtual reality is a computer-simulated environment that can be a simulation of the real world or an imaginary world.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

48. *(p. 63)* Augmented reality is the viewing of the physical world with computer-generated layers of information added to it.
TRUE

Augmented reality is the viewing of the physical world with computer-generated layers of information added to it.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

49. *(p. 63)* Augmented reality is a computer-simulated environment that can be a simulation of the real world or an imaginary world.
FALSE

Augmented reality is the viewing of the physical world with computer-generated layers of information added to it.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

50. *(p. 63)* Virtual reality is the viewing of the physical world with computer-generated layers of information added to it.
FALSE

Virtual reality is a computer-simulated environment that can be a simulation of the real world or an imaginary world

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

51. *(p. 64)* Business-facing processes or back-office processes are invisible to the external customer but essential to the effective management and operation of the business.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

52. *(p. 64)* When evaluating the 5-steps in the order-to-delivery business process, step one includes creating a campaign and checking inventory, which are both part of the sales function.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

53. *(p. 64)* Strategic planning is a customer-facing business process.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

54. *(p. 64)* Product delivery is a customer-facing business process.
<u>TRUE</u>

Product delivery is a customer-facing business process.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

55. *(p. 66)* Improving the efficiency and effectiveness of its business processes will improve a firm's value chain.
<u>TRUE</u>

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

56. *(p. 66)* Core processes are business processes, such as manufacturing goods, selling products, and providing services that make up the primary activities in a value chain.
<u>TRUE</u>

Core processes are business processes, such as manufacturing goods, selling products, and providing services that make up the primary activities in a value chain.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

57. *(p. 66)* Core processes are patents that protect a specific set of procedures for conducting a particular business activity.
FALSE

Business process patents are patents that protect a specific set of procedures for conducting a particular business activity.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

58. *(p. 66)* A business process patent is a patent that protects a specific set of procedures for conducting a particular business activity.
TRUE

A business process patent is a patent that protects a specific set of procedures for conducting a particular business activity.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

59. *(p. 69)* A business management system is a graphic description of a process, showing the sequence of process tasks, which is developed for a specific purpose and from a selected viewpoint.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

60. *(p. 69)* To-Be process models show the results of applying change improvement opportunities to the current (As-Is) process model.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

61. *(p. 69)* The primary goal of an As-Is process model is to simplify, eliminate, and improve the To-Be processes.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

62. *(p. 69)* Business processes should never drive MIS choices and should be based on business strategies and goals.
FALSE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

63. *(p. 69)* A swim lane layout arranges the steps of a business process into a set of rows depicting the various elements.
TRUE

A swim lane layout arranges the steps of a business process into a set of rows depicting the various elements.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

64. *(p. 69)* A swim lane layout arranges the steps of a business process into a circle with pictures showing the process flows.
FALSE

A swim lane layout arranges the steps of a business process into a set of rows depicting the various elements.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-06
Topic: Models Measuring Performance

65. *(p. 71)* Redundancy occurs when a task or activity is never repeated.
FALSE

Redundancy occurs when a task or activity is unnecessarily repeated.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

66. *(p. 71)* Business process reengineering is the analysis and redesign of workflow within and between enterprises.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

67. *(p. 77)* Business process management systems evaluate and improve processes that include both person-to-person workflow and system-to-system communications.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-08
Topic: The Future Business Process Management

68. *(p. 77)* BPM systems include advanced features such as enhanced process modeling, simulation, execution, and monitoring, providing a high level of flexibility while reducing costs.
TRUE

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-08
Topic: The Future Business Process Management

Multiple Choice Questions

69. *(p. 46)* Which of the following is a not a type of organizational information system?
A. Executive information system
B. Decisions support system
C. Analysis processing system
D. Transactional processing system

Analysis processing system is not a type of organizational IS.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

70. *(p. 46)* Which of the below is an important challenge facing managers today?
A. Making business decision
B. Solving business problems
C. Competing to win in today's market
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

71. *(p. 46)* What must managers be able to do to compete in today's global marketplace?
A. Make decisions to gain competitive advantages
B. Make decisions that can help forecast future business needs
C. Make decisions that can help forecast future business requirements
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

72. *(p. 46)* Which of the below is not considered a challenge facing most managers today?
A. Managerial decisions must be made quickly
B. Strategic decisions need to be made by applying analysis techniques
C. Artificial intelligence is required by all managers to be successful
D. Managerial decisions require large amounts of information to analyze

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

73. *(p. 47)* Which of the following is not included in the decision-making process?
A. Data Collection
B. Solution Benchmarking
C. Solution Generation
D. Solution Test

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

74. *(p. 47)* When evaluating the six-step decision making process, what occurs during the solution implementation step?
A. The process will begin again if the decisions made were incorrect
B. Defining the problem as clearly and precisely as possible
C. Details of every solution possible including ideas that seem far fetched
D. The solution that best solves the problem is selected

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

75. *(p. 47)* When evaluating the six-step decision making process, what occurs during the problem identification step?
A. The process will begin again if the decisions made were incorrect
B. Defining the problem as clearly and precisely as possible
C. Details of every solution possible including ideas that seem far fetched
D. The solution that best solves the problem is selected

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

76. *(p. 47)* When evaluating the six-step decision making process, what occurs during the solution selection step?
A. The process will begin again if the decisions made were incorrect
B. Defining the problem as clearly and precisely as possible
C. Details of every solution possible including ideas that seem far fetched
D. The solution that best solves the problem is selected

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

77. *(p. 47)* When evaluating the six-step decision making process, what occurs during the solution test step?
A. The process will begin again if the decisions made were incorrect
B. Defining the problem as clearly and precisely as possible
C. Details of every solution possible including ideas that seem far fetched
D. None of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

78. *(p. 47)* Which of the below represents the structure of a typical organization?
A. Flat line
B. Pyramid
C. Circle
D. Cube

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

79. *(p. 48)* Which of the below represents the three different levels of a company pyramid from the top to the bottom?
A. Managerial – Strategic – Operational
B. Strategic – Managerial – Operational
C. Operational – Managerial – Strategic
D. Strategic – Operational - Managerial

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

80. *(p. 48)* Which of the below would you include as decisions and responsibilities typically found at the managerial level of a company?
A. Monthly Plans
B. Monthly Budgets
C. Weekly Schedule
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

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

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

82. *(p. 48)* Data collection, solution generation, and solution implementation are all concepts associated which of the following processes?
A. The six-step problem solving process
B. The six-step decision making process
C. The four-step problem solving process
D. The four-step decision making process

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

83. *(p. 48)* Review the below key terms. Which one defines an operational decision that involves situations where established processes offer potential solutions?
A. Optimization analysis decision
B. Artificial intelligence decision
C. Structured decision
D. Unstructured decision

A structured decision involve situations where established processes offer potential solutions

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

84. *(p. 48)* Review the below statements. Which one does not represent an example of a structured decision?
A. Reordering inventory
B. Deciding to enter a new market
C. Creating the employee weekly staffing schedule
D. Creating the employee weekly production schedule

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

85. *(p. 48)* Which of the below is not considered a part of decision making at the managerial level?
A. Installing productivity software
B. Creating a short-term budget
C. Allocating resources to a department
D. Monitoring performance of a project team

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

86. *(p. 48)* Which of the below key terms represents the types of decisions made at the operational, managerial, and strategic levels of a company?
A. Structured decisions
B. Unstructured decisions
C. Semistructured decisions
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

87. *(p. 48)* At which level do managers develop the overall business strategies and monitor the performance of the organization and the competitive business environment?
A. Operational
B. Strategic
C. Managerial
D. Communications

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

88. *(p. 48)* Jenny Welch works at a retail store selling sports equipment. Her daily tasks include opening the store, creating the work schedules, processing payroll, overseeing sales and inventory, and training employees. At what level of the organizational pyramid would you categorize Jenny?
A. Managerial
B. Operational
C. Strategic
D. Owner

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

89. *(p. 48)* Andy Benton works at the local Starbucks coffee shop and his responsibilities include taking orders, fulfilling orders, and ringing in sales. At what level of the organizational pyramid would you categorize Andy?
A. Strategic
B. Owner
C. Operational
D. Managerial

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

90. *(p. 48)* Bill Schultz works at a high power investment firm in Los Angeles. Bill is responsible for promoting the firm's vision and creating the company-wide goals and strategies. He also monitors the overall strategic performance of the company and its direction for future business strategies. At what level of the organizational pyramid would you categorize Bill?
A. Strategic
B. Owner
C. Operational
D. Managerial

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

91. *(p. 48)* Chuck Biggs has been hired to oversee all of the plans that the city of Denver has created to expand its train transportation system by adding six more lines to the metro area. Chuck will be responsible for planning the project, managing the processes, and finalizing each new line as it is completed. How would you categorize the majority of the decisions Chuck will have to make to complete his job?
A. Unstructured decisions
B. Semistructured decisions
C. Structured decisions
D. Strategic decisions

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

92. *(p. 48)* What is the science of fact-based decision making?
A. Analytics
B. Structured decisions
C. Unstructured decisions
D. Semistructured decisions

Analytics is the science of fact-based decision making.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

93. *(p. 48)* What occurs in situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision?
A. Analytics
B. Structured decisions
C. Unstructured decisions
D. Semistructured decisions

Semistructured decisions occur in situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

94. *(p. 48)* What occurs in situations in which no procedures or rules exist to guide decision makers toward the correct choice?
A. Analytics
B. Structured decisions
C. Unstructured decisions
D. Semistructured decisions

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

95. *(p. 48)* What arises in situations where established processes offer potential solutions?
A. Analytics
B. Structured decisions
C. Unstructured decisions
D. Semistructured decisions

Structured decisions arise in situations where established processes offer potential solutions.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

96. *(p. 48)* The structure of an organization is similar to a pyramid. The different levels require different types of information to assist with which of the following?
A. Decision making
B. Problem solving
C. Opportunity capturing
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

97. *(p. 48)* At which level will a manager use analytics to make decisions?
A. Operational level
B. Managerial level
C. Strategic level
D. All of the above

Analytics are used at every level of an organization to make decisions.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

98. *(p. 48)* At which level of an organization do employees develop, control, and maintain core business activities required to run the day-to-day operations?
A. Operational level
B. Managerial level
C. Strategic level
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

99. *(p. 48)* At which level of an organization are employees continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change?
A. Operational level
B. Managerial level
C. Strategic level
D. All of the above

At the managerial level of an organization employees continuously evaluate company operations to hone the firm's abilities to identify, adapt to, and leverage change.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

100. *(p. 48)* At which level of an organization do managers develop overall business strategies, goals, and objectives as part of the company's strategic plan?
A. Operational level
B. Managerial level
C. Strategic level
D. All of the above

At the strategic level managers develop overall business strategies, goals, and objectives as part of the company's strategic plan.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-01
Topic: Making Business Decisions

101. *(p. 49)* CSFs and KPIs are two core metrics used to evaluate results and measure the progress of a project for a business. Which of the below represents the acronyms for CSF and KPI?
A. Continual success factors and key performance indicators
B. Critical success factors and key project ideas
C. Customer success findings and key project ideas
D. Critical success factors and key performance indicators

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

102. *(p. 49)* What are measurements that evaluate results to determine whether a project is meeting its goals?
A. Models
B. Metrics
C. Benchmarks
D. Genetic algorithms

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

103. *(p. 49)* What are the crucial steps companies perform to achieve their goals and objectives and implement their strategies?
A. Critical success factors
B. Crucial success factors
C. Key performance indicators
D. Key performance factors

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

104. *(p. 49)* Which of the below is an example of a critical success factor?
A. Increase customer satisfaction
B. Number of new customers
C. Number of new products
D. Percentage of employee turnover

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

105. *(p. 49)* Which of the below statements is accurate?
A. Key performance indicators can have no more than four critical success factors
B. Critical success factors can have no more than four key performance indicators
C. Key performance indicators can have several critical success factors
D. Critical success factors can have several key performance indicators

One CSF can have several KPIs.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

106. *(p. 49)* Key performance indicators are the metrics a company uses to evaluate progress toward critical success factors. Which of the below represents a key performance indicator?
A. Create high-quality products
B. Reduce product costs
C. Percentage of help desk calls answered in the first minute
D. Hire the best business professionals

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

107. *(p. 49)* CSFs and KPIs are the two core metrics used within a business to track progress or success. What is the relationship between CSFs and KPIs?
A. CSFs are business strategy elements where KPIs measure the progress of the CSFs
B. CSFs build the business environment where KPIs explain how to build the CSFs
C. KPIs are used first where CSFs are applied after
D. KPIs promote employees on their performance where CSFs demote employees based on their performance level

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

108. *(p. 49)* Market share measures a firm's external performance relative to that of its competitors. Which of the following represents how a firm measures market share?
A. Multiplying the firm's sales by the industry's total sales
B. Dividing the firm's sales by the total market sales for the entire industry
C. Subtracting your competitors sales from your total sales
D. Subtracting the industry's total sales from the firm's total sales

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

109. *(p. 49)* Anne-Marie Cole runs the sales division for a local auto insurance firm. One of her key duties is to calculate her company's market share. When evaluating the prior year numbers, she found that her firm achieved total sales of $3 million and the entire industry had $30 million in sales. What is Anne-Marie's current market share?
A. 1%
B. 10%
C. 18%
D. 20%

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

110. *(p. 49)* Anne-Marie Cole runs the sales division for a local auto insurance firm. One of her key duties is to ensure the company has 10 percent market share by the end of the year. When evaluating the current sales numbers she determines that her sales division has total sales of $3 million and the entire industry has total sales of $50 million. What additional sales must Anne-Marie's division meet to ensure they have 10 percent of the market by the end of the year?
A. $1 million
B. $2 million
C. $5 million
D. $10 million

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

111. *(p. 49)* What type of measurement is using market share as a KPI?
A. Fuzzy logic measurement
B. External measurement
C. Neural network measurement
D. Internal measurement

A common external KPI is market share.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

112. *(p. 49)* Which of the below represents an internal KPI that indicates the earning power of a project?
A. Market share
B. Return on intelligent
C. Sensitivity analysis
D. Return on investment

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

113. *(p. 49)* Todd Haitz is the marketing manager for the National Basketball Association. Todd analyzes and tracks his marketing campaigns to determine the best success rate per project for increasing ticket sales. Todd uses an internal KPI to track his marketing campaign success. Which of the below would be an internal KPI Todd would use to track his marketing campaigns?
A. Marketing campaign ROI
B. Marketing campaign percentage of fans purchasing Sports Illustrated magazine
C. Marketing campaign advertiser revenue sales
D. Marketing campaign market share

Todd would use ROI as an internal KPI.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

114. *(p. 49)* What could a manager use to measure the success of an MIS project?
A. Effectiveness MIS metrics, efficiency MIS metrics
B. Effectiveness MIS metrics, expert MIS metrics
C. Expert MIS metrics, executive MIS metrics
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

115. *(p. 49)* What type of metrics measure throughput, transaction speed, and system availability?
A. Efficiency MIS metrics
B. Effectiveness MIS metrics
C. ROI
D. Benchmarks

Efficiency MIS metrics measure throughput, speed, and availability.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

116. *(p. 49)* What types of metrics measure customer satisfaction?
A. Efficiency MIS metrics
B. Effectiveness MIS metrics
C. Both efficiency and effectiveness MIS metrics
D. Both ROI and market share

Effectiveness MIS metrics measure customer satisfaction.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

117. *(p. 49)* According to Peter Drucker, what are managers who do things right addressing?
A. Efficiency
B. Effectiveness
C. Both efficiency and effectiveness
D. Customer satisfaction only

"Doing things right" addresses efficiency.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

118. *(p. 49)* According to Peter Drucker, what are managers who do the right things addressing?
A. Efficiency
B. Effectiveness
C. Both efficiency and effectiveness
D. Customer satisfaction only

"Doing the right things" addresses effectiveness.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

119. *(p. 49)* Which of the following is a type of effectiveness MIS metric?
A. Transaction speed
B. System availability
C. Usability
D. Throughput

Usability is an effectiveness MIS metric.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

120. *(p. 49)* Which of the following is a type of efficiency MIS metric?
A. Customer satisfaction
B. Conversion rates
C. Financial transactions
D. Web traffic

Web traffic is an efficiency MIS metric.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

121. *(p. 49)* Which term is used to describe the ease with which people perform transactions and/or find information?
A. Usability
B. Customer satisfaction
C. Financial
D. Conversion rates

This is the definition of usability.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

122. *(p. 49)* What is measured by benchmarks such as satisfaction surveys, percentage of existing customers retained, and increases in revenue dollars per customer?
A. Usability
B. Customer satisfaction
C. Financial
D. Conversion rates

This is the definition of customer satisfaction.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

123. *(p. 49)* What would a company like eBay or Amazon be constantly benchmarking?
A. MIS efficiency
B. MIS effectiveness
C. MIS efficiency and MIS effectiveness
D. Usability metrics only

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

124. *(p. 49)* When considering the graph depicting the interrelationships between efficiency and effectiveness, where does an organization ideally want to operate?
A. Upper right-hand corner
B. Lower right-hand corner
C. Upper left-hand corner
D. Lower left-hand corner

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

125. *(p. 49)* Which of the following would efficiency MIS metrics measure?
A. Response time
B. System availability
C. Transaction speed
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

126. *(p. 49)* Which of the following are the four common types of effectiveness MIS metrics?
A. Unstructured decisions, customer satisfaction, conversion rates, financial
B. Usability, customer service, conversion rates, fiscal year revenue
C. Usability, customer satisfaction, conversion rates, financial
D. Usability, customer satisfaction, conversion rates, affordability

When analyzing the Efficiency and Effectiveness Metrics chart, the four common types of Effectiveness metrics are 1) usability, 2) customer satisfaction, 3) conversion rates, and 4) financial.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

127. *(p. 49)* Drew Savage is an MIS manager for an international consulting firm. Drew travels to different European countries where he implements news response tracking systems. Some of the metrics he uses to track the performance of his system include tracking the response time it takes to respond to Twitter posts mentioning the news station, as well as the speed and accuracy of content posted on numerous websites and social media sites. What type of metrics is Drew using to measure his system?
A. Customer satisfaction metrics
B. Efficiency metrics
C. Effectiveness metrics
D. Benchmarking metrics

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

128. *(p. 50)* Efficiency MIS metrics focus on the extent to which a firm is using its resources in an optimal way, while effectiveness MIS metrics focus on _____.
A. Understanding how successful a firm is at achieving its goals and objectives
B. Analyzing if a firm is doing the right things
C. Setting the right goals and ensuring they are accomplished
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

129. *(p. 50)* Which of the below describes the efficiency MIS metric of throughout?
A. The number of hours a system is available for users
B. The time it takes to respond to user interactions such as a mouse click
C. The amount of information that can travel through a system at any point in time
D. The ease with which people perform transactions and/or find information

Within the Efficiency Metrics, the type throughout is the amount of information that can travel through a system at any point in time

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

130. *(p. 50)* Which of the following tracks the number of customers an organization touches for the first time and persuades to purchase its products or services?
A. Customer satisfaction
B. Usability
C. Conversion rates
D. Financial

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

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

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

132. *(p. 50)* A common mistake that many managers tend to make is focusing on only one type of metrics because they are easier to measure. Which type of metrics do they focus on?
A. Effectiveness MIS metrics
B. Efficiency MIS metrics
C. Endurance MIS metrics
D. Product sales metrics

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

133. *(p. 50)* When analyzing the interrelationships between efficiency and effectiveness, where would a company ideally want to operate?
A. With high efficiency
B. The upper right-hand corner of the interrelationship graph
C. With high effectiveness
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

134. *(p. 50)* What is the process of continuously measuring system results, comparing those results to optimal system performance, and identifying steps and procedures to improve system performance?
A. Benchmarking
B. Bottlenecking
C. Consolidation
D. Cycle time

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

135. *(p. 50)* Which of the below is not included as part of a benchmark?
A. Benchmarks help assess how an MIS project performs over time
B. When measured against MIS projects, benchmarks can provide feedback so managers can control the system
C. Benchmarks help to establish baseline values the system seeks to attain
D. Benchmarks perform all of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

136. *(p. 50)* As a manager for your company some of your responsibilities include measuring metrics and overseeing company strategies. You observe some critical success factors and see large increases in productivity. What would you suspect would be the primary reason for the large increases in productivity?
A. Decreases in effectiveness
B. Increases in effectiveness
C. Increases in executive roles
D. Decreases in efficiency

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

137. *(p. 50)* What are the most successful solutions or problem-solving methods that have been developed by a specific organization or industry?
A. ROI
B. Metrics
C. Best practices
D. KPI

Best practices are the most successful solutions or problem-solving methods that have been developed by a specific organization or industry.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

138. *(p. 50)* What indicates the earning power of a project?
A. ROI
B. Metrics
C. Best practices
D. KPI

ROI indicates the earning power of a project.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

139. *(p. 52)* What are measurements that evaluate results to determine whether a project is meeting its goals?
A. ROI
B. Metrics
C. Best practices
D. KPI

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

140. *(p. 52)* What are the crucial steps companies perform to achieve their goals and objectives and implement their strategies?
A. ROI
B. CSF
C. KPI
D. None of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

141. *(p. 52)* What are the quantifiable metrics a company uses to evaluate progress toward critical success factors?
A. ROI
B. CSF
C. KPI
D. None of the above

Key performance indicators are the quantifiable metrics a company uses to evaluate progress toward critical success factors.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

142. *(p. 52)* Which of the following represents the top-down (executives to analysts) organizational levels of information technology systems?
A. TPS, DSS, EIS
B. DSS, TPS, EIS
C. EIS, DSS, TPS
D. None of the above, it varies from organization to organization

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

143. *(p. 55)* Which of the following is an incorrect enterprise view of information technology?
A. Processes are analytical for executives and transactional for analysts
B. Granularity is coarse for executives and fine for analysts
C. Processing is OLTP for executives and OLAP for analysts
D. None of the above

Processing is OLAP for executives and OLTP for analysts.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

144. *(p. 55)* What can a model accomplish?
A. Calculate risks
B. Understand uncertainty
C. Manipulate time
D. All of the above

A model can do all of the above.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

145. *(p. 56)* What is consolidation?
A. Involves the aggregation of information and features simple roll-ups to complex groupings of interrelated information
B. The ability to look at information from different perspectives
C. Enables users to get details, and details of details, of information
D. Finds the inputs necessary to achieve a goal such as a desired level of output

This is the definition of consolidation.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

146. *(p. 56)* What is drill-down capability?
A. Involves the aggregation of information and features simple roll-ups to complex groupings of interrelated information
B. The ability to look at information from different perspectives
C. Enables users to get details, and details of details, of information
D. Finds the inputs necessary to achieve a goal such as a desired level of output

This is the definition of drill-down.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

147. *(p. 56)* What is slice-and-dice capability?
A. Involves the aggregation of information and features simple roll-ups to complex groupings of interrelated information
B. The ability to look at information from different perspectives
C. Enables users to get details, and details of details, of information
D. Finds the inputs necessary to achieve a goal such as a desired level of output

This is the definition of slice-and-dice.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

148. *(p. 56)* What compiles information from multiple sources and tailors it to meet user needs?
A. Drill-down
B. Sensitivity analysis
C. What-if analysis
D. Digital dashboard

This is the definition of digital dashboards.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

149. *(p. 56)* What captures transaction and event information using technology to (1) process the information according to defined business rules, (2) store the information, and (3) update existing information to reflect the new information?
A. OLTP
B. OLAP
C. TPS
D. DSS

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

150. *(p. 56)* What is the basic business system that serves the operational level and assists in making structured decisions?
A. OLTP
B. OLAP
C. TPS
D. DSS

A TPS is the basic business system that serves the operational level and assists in making structured decisions.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

151. *(p. 56)* What encompasses all organizational information and its primary purpose is to support the performance of managerial analysis or semistructured decisions?
A. OLTP
B. OLAP
C. Analytical information
D. Transactional information

Analytical information encompasses all organizational information and its primary purpose is to support the performance of managerial analysis or semistructured decisions?

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

152. *(p. 55)* What encompasses all the information contained within a single business process or unit of work and its primary purpose is to support the performance of daily operational or structured decisions.
A. OLTP
B. OLAP
C. Analytical information
D. Transactional information

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

153. *(p. 55)* What is the manipulation of information to create business intelligence in support of strategic decision making?
A. OLTP
B. OLAP
C. TPS
D. DSS

OLAP is the manipulation of information to create business intelligence in support of strategic decision making.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

154. *(p. 55)* What models information and provides assistance in evaluating and choosing among different courses of action?
A. OLTP
B. OLAP
C. TPS
D. DSS

A DSS models information and provides assistance in evaluating and choosing among different courses of action.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

155. *(p. 55)* What refers to the level of detail in the model or the decision-making process?
A. Granularity
B. Visualization
C. Digital Dashboard
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

156. *(p. 55)* What produces graphical displays of patterns and complex relationships in large amounts of data?
A. Granularity
B. Visualization
C. Digital Dashboard
D. All of the above

Visualization produces graphical displays of patterns and complex relationships in large amounts of data.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

157. *(p. 55)* What tracks KPIs and CSFs by compiling information from multiple sources and tailoring it to meet user needs?
A. Granularity
B. Visualization
C. Digital Dashboard
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

158. *(p. 55)* Which of the below is considered an input in the systems thinking example of a TPS?
A. CRUD
B. Calculate
C. Report
D. Source Document

A source document is the input in the systems thinking examples of a TPS.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

159. *(p. 56)* Which of the below is considered part of the process in the systems thinking example of a TPS?
A. Source Document
B. Calculate
C. Report
D. All of the above

Calculate is the process in the systems thinking examples of a TPS.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

160. *(p. 56)* Which of the below is considered the output in the systems thinking example of a TPS?
A. CRUD
B. Calculate
C. Report
D. Source Document

A report is the output in the systems thinking examples of a TPS.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

161. *(p. 56)* Which of the below is considered the input in the systems thinking example of a DSS?
A. TPS
B. What-If
C. Optimization
D. Forecasts

A TPS is the input in the systems thinking example of a DSS.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

162. *(p. 56)* Which of the below is considered the process in the systems thinking example of a DSS?
A. TPS
B. Optimization
C. Forecasts
D. Simulation

Optimization is the process in the systems thinking examples of a DSS.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

163. *(p. 55)* Which of the below is considered the output in the systems thinking example of a DSS?
A. TPS
B. Optimization
C. Goal Seeking
D. Forecasts

A forecast is the output in the systems thinking examples of a DSS.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

164. *(p. 56)* Which of the below is correct in terms of granularity?
A. Refers to the level of detail in the model
B. The greater the granularity the deeper the level of detail of the data
C. The greater the granularity the deeper the level of fineness of the data
D. All of the above

All of the above are correct in terms of granularity.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

165. *(p. 56)* Which of the following is a potential feature of a digital dashboard?
A. A hot list of KPIs refreshed every 15 minutes
B. A running line graph of planned versus actual production for the past 24 hours
C. A graph of stock market prices
D. All of the above

All of the above are potential features of a digital dashboard.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

166. *(p. 56)* What is a simplified representation or abstraction of reality?
A. Model
B. Metric
C. Redundancy
D. Sensitivity Analysis

A simplified representation or abstraction of reality is a model.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

167. *(p. 56)* What can a manager use a model to do?
A. Calculate risk
B. Change variables
C. Understand uncertainty
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

168. *(p. 56)* What would managers use to make structured decisions at the operational level?
A. Transactional information
B. Analytical information
C. An EIS system
D. Intelligent system

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

169. *(p. 56)* Which of the below would create transactional information?
A. Projecting future sales growth
B. Making an airline reservation
C. A semistructured decision to hire more employees
D. Generating payroll reports

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

170. *(p. 56)* What are the three primary types of management information systems available to support decision making across the company levels?
A. Transaction Processing Systems, Decision Support Systems, Executive Information Systems
B. Analytical Information, Decision Support Systems, Executive Information Systems
C. Transaction Processing Systems, Drill-Down Systems, Expert Systems
D. What-If Analysis, Sensitivity Analysis, Goal-Seeking Analysis

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

171. *(p. 55)* A transaction processing system (TPS) is the basic business system that assists operational level analysts when making structured decisions. Which of the below is not an example of a TPS?
A. Target's internal company payroll system
B. Comfort Dental patient diagnosis system
C. First Bank's overall accounting system
D. Stewart Sport's order entry system

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

172. *(p. 55)* What is the flow that a systems thinking approach using a TPS would follow?
A. Streamlining (Input) - CRUD, Calculate (Process) - Reports (Output)
B. Source Documents (Input) - Optimization Analysis (Process) - (Feedback) - (Output)
C. Source Documents (Input) - CRUD, Calculate (Process) - Reports (Output) - (Feedback)
D. Selling Documents (Input) - Cycle Time (Process) - Reports (Output) - (Feedback)

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

173. *(p. 55)* Online transaction processing (OLTP) is the capturing of transaction and event information using technology to _____.
A. Update existing information to reflect the new information
B. Store the information
C. Process the information according to defined business rules
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

174. *(p. 55)* Which of the below does not represent an example of analytical information?
A. Trends and product statistics
B. Unstructured long-term decisions
C. Five year sales report
D. Future growth projections

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

175. *(p. 55)* Decision support systems or DSS's model information using OLAP, which provides assistance in evaluating and choosing among different courses of action. Which of the below does not represent an example of a DSS in business?
A. An insurance company using a system to gauge risk of providing insurance to drivers who have imperfect driving records.
B. A medical doctor may enter symptoms into a system to aid them in diagnosing and treating patients
C. A manufacturing digital dashboard showing visualizations of inventory and production
D. A dentist entering symptoms into a system to help diagnose and treat patients

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

176. *(p. 56)* What is the MIS system that manipulates information to create business intelligence in support of strategic decision making?
A. Online transaction processing (OLTP)
B. Online analytical processing (OLAP)
C. Digital dashboard
D. Visualization

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

177. *(p. 56)* When viewing systems thinking, source documents are the original transaction records. What would the source documents for a medical doctor's payroll system include?
A. Employee time sheets
B. Employee benefit reports
C. Employee wage rates
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

178. *(p. 56)* Which of the below represent the four main DSS analysis techniques outlined in the chapter?
A. What-If Analysis, Sensitivity Analysis, Goal-Seeking Analysis, Optimization Analysis
B. Workflow Analysis, Sensitivity Analysis, Growth Analysis, Organizational Analysis
C. What-If Analysis, Structured Analysis, Goal-Seeking Analysis, Optimization Analysis
D. What-If Analysis, Sensitivity Analysis, Growth Analysis, Organizational Analysis

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

179. *(p. 56)* Tom Repicci is a manager for a McDonald's restaurant. Many of his key responsibilities include analyzing data and making key decisions for the success of his store. Tom's store has been experiencing decreased sales for breakfast services over the past 3 months. Tom is unsure why breakfast revenues are down while lunch and dinner revenues remain unchanged. Tom believes that he can drive revenue up by implementing a few different breakfast promotions such as free coffee or hash browns with the purchase of a meal. Tom performs an extensive analysis of how continuous changes in breakfast promotions could impact his daily revenue. What type of DSS analysis is Tom performing?
A. Optimization analysis
B. Sensitivity analysis
C. Transaction analysis
D. Goal-seeking analysis

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

180. *(p. 56)* What is the DSS analysis that checks the impact of a change in a variable or assumption on the model?
A. Optimization analysis
B. Goal-seeking analysis
C. Sensitivity analysis
D. What-if analysis

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

181. *(p. 56)* Online transaction processing (OLTP) and online analytical processing (OLAP) are similar MIS strategies used to help with business decision making. What is the primary difference between OLTP and OLAP?
A. OLTP is used at the operational level; OLAP is used at the managerial level
B. OLTP is used to capture transactional and event data; OLAP is used to manipulate information
C. OLTP is used to support structured decisions; OLAP is used to support semistructured decisions
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

182. *(p. 56)* An optimization analysis finds the optimum value for a target variable by repeatedly changing other variables, subject to specified constraints. What can a manager determine by changing revenue and cost variables in an optimization analysis?
A. Calculate the highest potential profits
B. Calculate employee benefit payments
C. Use this as an extension for a digital dashboard
D. Create production schedules

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium

183. *(p. 56)* What is the analysis that works in reverse to what-if and sensitivity analysis by finding the inputs necessary to achieve a goal such as a desired level of output?
A. Solutions based analysis
B. Optimization system
C. Goal-seeking analysis
D. Revenue analysis

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

184. *(p. 56)* Decision making at the executive or strategic level require business intelligence and knowledge to support the uncertainty and complexity of the business. What is a specialized DSS that supports senior-level executives and unstructured decisions requiring judgment, evaluation, and insight?
A. OLTP
B. Executive Information System (EIS)
C. Transaction Support System (TSS)
D. Decision Support System (DSS)

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

185. *(p. 56)* Executives of a company deal less with details of the operational activities and deal more with the higher meaningful aggregations of information or "coarser" information. What refers to the level of detail in the model?
A. Drill-down
B. Visualization
C. Granularity
D. Consolidation

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

186. *(p. 56)* How does a DSS typically differ from an EIS?
A. EIS requires data from external sources to support unstructured decisions where a DSS typically uses internal sources to support semistructured decisions
B. DSS typically uses external sources and EIS use internal sources to support decisions
C. A DSS never uses external sources
D. EIS always uses internal sources to support structured decisions

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

187. *(p. 56)* What is a graphical display of patterns and complex relationships in large amounts of data?
A. Visualization
B. Model
C. Table
D. Digital spreadsheet

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

188. *(p. 56)* What is a common tool that is used to support visualizations and tracks KPIs and CSFs by compiling information from multiple sources?
A. Models
B. Digital dashboards
C. Neural networks
D. Verified graphs

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

189. *(p. 56)* Which of the below is offered by a digital dashboard?
A. Consolidation
B. Drill-down
C. Slice-and-Dice
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

190. *(p. 56)* Which of the below would not be found in a digital dashboard for a manufacturing team?
A. A graph of stock market prices
B. A running line graph of planned versus actual production for the past 24 hours
C. An excel spreadsheet with cost analysis data
D. A hot list of key performance indicators, refreshed every 15 minutes

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

191. *(p. 56)* As the product manager for the eatery division at Whole Foods, Jerry is responsible for analyzing sales data to help him manage his team. Today Jerry is analyzing his data using many different perspectives to identify different ways to improve his division. Which of the following common digital dashboard capabilities is Jerry using to analyze his department's success?
A. Slice-and-Dice
B. Competitive tables
C. Drill-down
D. Consolidation

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

192. *(p. 56)* As the product manager for the eatery division at Whole Foods, Jerry is responsible for analyzing sales data to help him manage his team. Today Jerry is analyzing his data using aggregation techniques allowing him to see simple roll-ups to complex groupings of interrelated information. Which of the following common digital dashboard capabilities is Jerry using to analyze his department's success?
A. Slice-and-Dice
B. Competitive tables
C. Drill-down
D. Consolidation

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

193. *(p. 56)* As the product manager for the eatery division at Whole Foods, Jerry is responsible for analyzing sales data to help him manage his team. Today Jerry is analyzing his data by looking at details, and details of details of information. Which of the following common digital dashboard capabilities is Jerry using to analyze his department's success?
A. Slice-and-Dice
B. Competitive tables
C. Drill-down
D. Consolidation

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

194. *(p. 56)* Van Lines Inc. is a large corporation operating in all 50 states. Jim Poulos is the regional manager overseeing the western division, which includes Utah, Colorado, Idaho, Montana, Wyoming, and Nevada. Jim receives data from his managers in each state which he loads into his digital dashboard for analysis of his entire western division. What digital dashboard capability is Jim primarily using?
A. Drill-down
B. Slice-and-dice
C. Intelligent system
D. Consolidation

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

195. *(p. 60)* What is a category of AI that attempts to emulate the way the human brain works?
A. Intelligent system
B. Artificial intelligence
C. Expert systems
D. Neural network

This is the definition of neural network.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

196. *(p. 60)* Which of the following is the most commonly used form of AI in the business arena?
A. Intelligent system
B. Artificial intelligence
C. Expert system
D. Neural network

Expert systems are the most common.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

197. *(p. 60)* What is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users?
A. Intelligent system
B. Artificial intelligence
C. Neural network
D. Intelligent agent

This is the definition of intelligent agent.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

198. *(p. 60)* What do cargo transport systems, book distribution centers, the video game market, a flu epidemic, and an ant colony have in common?
A. They are all expert systems and thus share some characteristics
B. They are all genetic algorithm systems and thus share some characteristics
C. They are all neural network systems and thus share some characteristics
D. They are all complex adaptive systems and thus share some characteristics

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

199. *(p. 60)* Which industry has been relying on neural network technology for over two decades?
A. Food service
B. Hotels
C. Finance
D. Healthcare

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

200. *(p. 61)* Which type of AI system assigns values of 0 and 1 to vague or ambiguous information?
A. Genetic algorithms
B. Artificial intelligence
C. Fuzzy logic
D. Intelligent agents

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

201. *(p. 61)* Artificial Intelligence stimulates human thinking and behavior, such as the ability to reason and learn. What is the ultimate goal of AI?
A. To build an intelligent system
B. To build an intelligent agent
C. To build a system that can mimic human intelligence
D. To build a system that can mimic an expert agent

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

202. *(p. 61)* Which of the following is an example of an intelligent system?
A. The Firefighter Robot that can extinguish flames at chemical plants
B. Shell Oil's Smart Pump robot that pumps gas for the customer
C. A robot that cleans and sweeps at a local airport
D. All of the above

Intelligent systems are various commercial applications of artificial intelligence. They perform numerous business functions such as 1) performing tasks as boosting productivity in factories by monitoring equipment and signaling when preventative maintenance is required, 2) At Manchester Airport, the robot cleaner alerts passengers to security, nonsmoking areas, and cleans the floors daily, 3) Shell Oil's Smart Pump keeps drivers in their cars, while the robot pumps gas, 4) Matsushita's courier robot navigates hospital hallways, delivering files and supplies, and 5) The firefighter Robot that can extinguish flames at chemical plants.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

203. *(p. 61)* Which of the below does not represent a category of AI?
A. Genetic algorithms
B. Neural networks
C. Expert systems
D. Consolidation

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

204. *(p. 61)* What is a system that uses computerized advisory programs to imitate the reasoning processes of experts in solving difficult problems?
A. Expert system
B. Virtual reality
C. Neural network
D. Genetic algorithm

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

205. *(p. 61)* Which of the below categories of AI is used extensively in the finance industry to analyze situations where the logic or rules are unknown?
A. Expert system
B. Virtual reality
C. Neural network
D. Genetic algorithm

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

206. *(p. 61)* Which of the following is not a feature of a neural network?
A. Neural networks can cope with huge volumes of information with many variables
B. Neural networks can function without complete or well-structured information
C. Neural networks can analyze linear relationships only
D. Neural networks can learn and adjust to new circumstance on their own

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

207. *(p. 61)* What is the Mathematical method of handling imprecise or subjective information?
A. Fuzzy logic
B. Virtual reality
C. Expert system
D. Genetic algorithm

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

208. *(p. 61)* Sears department stores used to plant employees in competitor stores to perform research and analysis. Recently the company implemented a system that can search competitor websites and provide comparisons of price, promotions, and availability and the system is saving time, money, and resources. What type of system did Sears implement?
A. Shopping algorithm
B. Shopping network
C. Shopping logic
D. Shopping bot

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

209. *(p. 61)* What is the process of learning from ecosystems and adapting their characteristics to human and organization situations?
A. Data collection
B. Artificial intelligence
C. Biomimicry
D. Intelligent system

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

210. *(p. 62)* Which of the following is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users?
A. Intelligent agent
B. Executive agent
C. Expert agent
D. Modeling system

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

211. *(p. 62)* Which of the below offers a disadvantage for working virtually?
A. Increases in worker productivity
B. Increases in feelings of seclusion
C. Decreases in expenses for the company
D. Alleviation of congested roadways

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

212. *(p. 62)* What is an optimizing system that can find and evaluate solutions with many more possibilities, faster and more thoroughly than a human?
A. Genetic algorithm
B. Expert system
C. Intelligent agent
D. Virtual reality

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

213. *(p. 62)* Bob Silver loves playing a game called World of Warcraft where he has the capability to create his own character and even his own life-like environment. Which AI system would you categorize World of Warcraft?
A. Multi-agent system
B. Expert system
C. Virtual reality
D. Fuzzy logic system

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

214. *(p. 62)* Which of the following offers an example of an intelligent agent that uses a multi-agent system?
A. A cargo transport system
B. Book distribution center
C. A flu epidemic
D. All of the above

An intelligent agent that utilizes a multi-agent system includes 1) a cargo transport system, 2) book distribution centers, 3) the video game market, and 4) a flu epidemic

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

215. *(p. 62)* What types of business decisions would an EIS use AI for?
A. Semistructured decisions
B. Multistructured decisions
C. Structured decisions
D. Unstructured decisions

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

216. *(p. 62)* Which of the below business ideas is not using AI?
A. Best Buy implements a software system that will determine how many customers are needed to increase gross profits to $5 million
B. McDonald's unveiling a robot that cleans and tidies the restaurant, while also asking guests if it can take their trays to the trash
C. Starbucks creates a system that works like a hand and lifts and moves the mixing pots for the coffees to and from the coffee machines to the counters
D. Golf courses create an automated golf cart that can offer swing suggestions, club suggestions, and even navigate the course for the driver

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

217. *(p. 62)* What is the viewing of the physical world with computer-generated layers of information added to it?
A. Virtual reality
B. Augmented reality
C. Virtual workforce
D. All of the above

Augmented reality is the viewing of the physical world with computer-generated layers of information added to it.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

218. *(p. 62)* What is a computer-simulated environment that can be a simulation of the real world or an imaginary world?
A. Virtual reality
B. Augmented reality
C. Virtual workforce
D. All of the above

Virtual reality is a computer-simulated environment that can be a simulation of the real world or an imaginary world.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

219. *(p. 62)* What is the process within a genetic algorithm of randomly trying combinations and evaluating the success (or failure) of the outcome?
A. Augmented reality
B. Mutation
C. Fuzzy logic
D. Shopping bot

Mutation is the process within a genetic algorithm of randomly trying combinations and evaluating the success (or failure) of the outcome.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

220. *(p. 62)* What is software that will search several retailer websites and provide a comparison of each retailer's offerings including prices and availability?
A. Augmented reality
B. Mutation
C. Fuzzy logic
D. Shopping bot

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

221. *(p. 64)* Which of the below business processes would you find in the marketing and sales division?
A. Ordering inventory
B. Enrolling employees in health care benefits
C. Promoting of discounts
D. Creating financial statements

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

222. *(p. 64)* Which of the following departments is primarily responsible for promoting discounts, attracting customers, and communicating marketing campaigns?
A. Accounting and Finance
B. Marketing and Sales
C. Operations Management
D. Human Resources

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

223. *(p. 64)* Which of the following represents a business process you would find in the operations management department?
A. Ordering inventory
B. Processing sales
C. Promoting discounts
D. Paying of accounts payable

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

224. *(p. 64)* Most business processes are cross-functional or cross-departmental processes that span the entire organization. Which of the below does not represent a cross-functional business process?
A. Order-to-delivery process
B. Loan processing
C. Taking a product from concept to market
D. Processing payroll

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

225. *(p. 64)* The accounting and finance department performs processes such as creating financial statements, paying accounts payables, and collecting accounts receivables. What form of processes do these represent?
A. Customer-facing processes
B. Business-facing processes
C. Industry-specific customer-facing processes
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

226. *(p. 64)* What form of processes include loan processing for a bank, claims processing for an insurance company, reservation processing for a hotel, and baggage handling for an airline?
A. Customer-facing processes
B. Business-facing processes
C. Industry-specific customer-facing processes
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

227. *(p. 66)* What type of process includes order processing, customer service processing, sales processing, customer billing processing, and order shipping processing?
A. Customer-facing processes
B. Business-facing processes
C. Industry-specific customer-facing processes
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

228. *(p. 66)* Which of the below represents business processes you would find in the human resources department?
A. Hiring employees
B. Enrolling employees in benefit plans
C. Tracking vacation and sick time
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

229. *(p. 66)* What is the difference between customer-facing processes and business-facing processes?
A. Business-facing processes are front-office processes, customer-facing processes are back-office processes
B. Customer-facing processes are front-office processes, business-facing processes are back-office processes
C. Customer-facing processes are back-office processes, and industry-specific customer-facing processes are back-office processes
D. Customer-facing processes are back-office processes, and industry-specific customer-facing processes are front-office processes

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

230. *(p. 66)* Which of the below is a customer-facing process?
A. Communicating with customers
B. Strategic goal setting
C. Providing performance feedback and rewards
D. Purchasing raw materials

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

231. *(p. 66)* Which of the following represents a business-facing process?
A. Loan processing
B. Order processing
C. Strategic planning
D. Customer billing

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

232. *(p. 66)* When considering the 5-steps of the order-to-delivery business process, creating campaigns and checking inventory are included in which of the following?
A. Step 4 - Sales
B. Step 1 - Marketing
C. Step 3 – Operations management
D. Step 2 – Customer service

When considering the 5-steps of the order-to-delivery business process, Step 1 is marketing where the business creates campaigns and checks inventory.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

233. *(p. 66)* Which of the following processes focuses on the entire customer order process and operates across functional departments?
A. Order to delivery process
B. Customer billing process
C. Customer loan process
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-05
Topic: Evaluating Business Processes

234. *(p. 66)* Which of the below processes would be found in the operations management department?
A. Creating production schedules
B. Communicating marketing campaigns
C. Hiring employees
D. Processing sales

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

235. *(p. 66)* Which of the following should a business follow for success?
A. Technology choices should drive business processes
B. Business processes should drive technology choices
C. Technology choices should drive business strategies and goals
D. All of the above depending on the industry

Business processes should drive technology choices.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

236. *(p. 70)* Business process modeling or mapping, is the activity of creating a detailed flowchart or process map of a work process that shows its inputs, tasks, and activities in a _____ sequence.
A. Unstructured
B. Semistructured
C. Structured
D. Unilateral

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-06
Topic: Models Measuring Performance

237. *(p. 70)* Jessica Ulta works as an employee for City Service Credit Union and is responsible for consulting on loans, talking clients through the loan process, and providing loans to members. What type of processes does Jessica primarily work with?
A. Business-facing processes
B. Industry-specific customer facing processes
C. Customer-facing process
D. Industry-specific business-facing processes

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-06
Topic: Models Measuring Performance

238. *(p. 70)* Sarah Schin was recently hired by Bank West as the Global Director of Human Resources. Her job duties include determining employment policies as well as overseeing all hiring, firing, and training of employees. What type of processes does Sarah's new job demonstrate?
A. Business-facing processes
B. Industry-specific customer facing processes
C. Customer-facing process
D. Industry-specific business-facing processes

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-06
Topic: Models Measuring Performance

239. *(p. 70)* What is a model that represents the current state of the operation without any specific improvements or changes to existing processes?
A. As-Is process models
B. To-Be process models
C. Competitive business process models
D. Workflow model

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

240. *(p. 70)* What is the business process model that ensures the process is fully and clearly understood before the details of a process solution are decided upon?
A. As-is process model
B. Business process reengineering model
C. Customer facing process
D. To-Be process model

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

241. *(p. 70)* What is the difference between the As-Is process model and the To-Be process model?
A. The As-Is process model begins with what the process problem is, and the To-Be process model displays how the problem will be solved
B. The process models are not related
C. Both process models determine when to solve the problem
D. The As-Is process model begins with where to implement the solution, and the To-Be process model displays why the problem needs to be fixed

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-06
Topic: Models Measuring Performance

242. *(p. 70)* What is the primary goal of the As-Is process model?
A. To outline the process elements for the To-Be process
B. To create process choices for the As-Is process
C. To simplify, eliminate, and improve the To-Be process
D. To analyze the To-Be process elements

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-06
Topic: Models Measuring Performance

243. *(p. 70)* The local florist in town is Cheryl Steffan who has been in business for over 20 years. Recently, Cheryl has noticed several complaints about delivery errors. Cheryl decides to investigate the errors in her business delivery process and finds that most of the inaccuracies occur during order taking. Cheryl decides to implement an electronic ordering system to help improve order efficiency and effectiveness. What method did Cheryl follow to solve her delivery issues?
A. Modeled the As-Is process, fixed the errors, and then created the To-Be process
B. Modeled the To-Be process, fixed the errors, and then created the As-Is process
C. Moved directly to implementing the To-Be process without analyzing the As-Is process
D. Moved directly to implementing the As-Is process without analyzing the To-Be process

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-06
Topic: Models Measuring Performance

244. *(p. 70)* What is the primary goal of using As-Is and To-Be process models?
A. To determine employee specific errors
B. To determine measurement metrics
C. To determine the best way to solve a problem
D. To determine what the problem is and then how to solve the problem

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-06
Topic: Models Measuring Performance

245. *(p. 70)* Review the below list of key terms and determine which one typically occurs during operational business process improvement.
A. Automation
B. Streamlining
C. Reengineering
D. Improvement

Automation typically occurs during operational business process improvement.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

246. *(p. 70)* Review the below list of key terms and determine which one typically occurs during managerial business process improvement.
A. Automation
B. Streamlining
C. Reengineering
D. Improvement

Streamlining typically occurs during managerial business process improvement.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

247. *(p. 70)* Review the below list of key terms and determine which one typically occurs during strategic business process improvement.
A. Automation
B. Streamlining
C. Reengineering
D. Improvement

Reengineering typically occurs during strategic business process improvement.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

248. *(p. 72)* Which of the below examples indicates when the time is right to initiate a business process change?
A. The market being served makes a distinctive shift
B. The company is below industry benchmarks on its core processes
C. The company strategically passes or leapfrogs the competition on key decisions to regain competitive advantage
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

249. *(p. 72)* What does BPR assume about the current process in the extreme?
A. Current process is irrelevant
B. Current process is broken
C. Current process must be overhauled from scratch
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

250. *(p. 72)* Which of the below processes attempt to understand and measure the current process and make improvements?
A. Business process mapping
B. Business process reengineering
C. Business process improvement
D. Business process model

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

251. *(p. 72)* Transaction processing systems are primarily used to automate business processes. Automation increases efficiency and effectiveness, while reducing head count which in turn reduces the overall operational _____.
A. Costs
B. Systems
C. Revenues
D. Intelligence

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

252. *(p. 72)* Several factors can accelerate the need for a company to make business improvement processes. What is the most prevalent factor?
A. Market shifts
B. Technology
C. Discoveries
D. Bottlenecking

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

253. *(p. 72)* What improves managerial level business processes?
A. Performance measures
B. Bottlenecks
C. Redundancy
D. Streamlining

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

254. *(p. 72)* What is the point when resources reach full capacity and cannot handle any additional demands?
A. Optimization analysis
B. Bottlenecks
C. Redundancy
D. Swim lane

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

255. *(p. 72)* Which of the following represents an example of a technology that actually disrupts and slows workflow?
A. Email
B. Twitter
C. Facebook
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

256. *(p. 72)* Automating a business process that contains _____ will magnify or amplify these problems if they are not corrected first.
A. Bottlenecks or regulations
B. Redundancies or regulations
C. Bottlenecks or redundancies
D. Redundancies or swim lanes

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

257. *(p. 72)* Fedex is a great example of a company that created a competitive advantage through combining MIS and _____.
A. Traditional distribution and logistics processes
B. Logistic processes and an As-Is process model
C. Artificial intelligence and As-Is process model
D. Swim lanes and logistic processes

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

258. *(p. 72)* What is the analysis and redesign of workflow within and between enterprises?
A. Critical success factors (CSFs)
B. Benchmarking metrics
C. Business process reengineering (BPR)
D. Decision support interfaces (DSI)

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

259. *(p. 72)* Changing business processes with MIS outlines how to improve the three levels of business processes which include operational, managerial, and strategic. From operational to strategic, what are the three major improvement strategies that the author describes?
A. Automation – streamlining - reengineering
B. Artificial intelligence – streamlining - reengineering
C. Automation – workflow - reinvention
D. Automation – consolidating - restructuring

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

260. *(p. 72)* Which of the below represents the four main steps in the business process reengineering?
A. Set project problem, study competition, create new products, and implement solution
B. Set project scope, study competition, create new products, and implement solution
C. Set project scope, study competition, create new processes, and implement solution
D. Study competition, set project scope, create new processes, and implement solutions

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

261. *(p. 72)* Which of the following explains why a company would implement a BPR strategy?
A. To encourage competition
B. To decrease customers
C. To create value for the customer
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

262. *(p. 72)* What includes the tasks, activities, and responsibilities required to execute each step in a business process?
A. Workflow
B. Swim lane
C. Automation
D. Streamlining

Workflow includes the tasks, activities, and responsibilities required to execute each step in a business process.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

263. *(p. 72)* What is the process of computerizing manual tasks, making them more efficient and effective and dramatically lowering operational costs?
A. Workflow
B. Swim lane
C. Automation
D. Streamlining

Automation is the process of computerizing manual tasks, making them more efficient and effective and dramatically lowering operational costs.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

264. *(p. 72)* What improves business process efficiencies by simplifying or eliminating unnecessary steps?
A. Workflow
B. Swim lane
C. Automation
D. Streamlining

Streamlining improves business process efficiencies by simplifying or eliminating unnecessary steps.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

265. *(p. 72)* What occurs when resources reach full capacity and cannot handle any additional demands limiting throughput and impeding operations?
A. Bottlenecks
B. Redundancy
C. Automation
D. Streamlining

Bottlenecks occurs when resources reach full capacity and cannot handle any additional demands limiting throughput and impeding operations.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

266. *(p. 72)* What occurs when a task or activity is unnecessarily repeated?
A. Bottlenecks
B. Redundancy
C. Automation
D. Streamlining

Redundancy occurs when a task or activity is unnecessarily repeated.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

267. *(p. 77)* What is the system that focuses on evaluating and improving the processes that include both person-to-person workflow and system-to-system communications?
A. Business process management (BPM) systems
B. Semistructured systems
C. Virtual reality
D. All of the above

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

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-08
Topic: The Future Business Process Management

Fill in the Blank Questions

268. *(p. 46)* _____ decisions are considered operational, and involve situations where established processes offer potential solutions.
<u>Structured</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

269. *(p. 46)* The typical structure of a business organization is similar to a pyramid and consists, from top to bottom, of strategic, managerial, and _____ levels.
<u>Operational</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

270. *(p. 46)* At the _____ level, of a business structure, employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change.
Managerial

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

271. *(p. 46)* The _____ level, of a business structure, is where employees develop, control, and maintain core business activities required to run the day-to-day activities.
Operational

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

272. *(p. 46)* The President and Vice-President of a company are typically found in the _____ level of the business structure.
Strategic

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

273. *(p. 46)* Situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision are considered _____ decisions.
Semistructured

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Metrics Measuring Business Success

274. *(p. 48)* _____ is the science of fact-based decision making.
Analytics

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

275. *(p. 48)* The structure of a typical organization is similar to a _____.
Pyramid

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-01
Topic: Making Business Decisions

276. *(p. 49)* A _____ is a temporary activity a company undertakes to create a unique product, service, or result.
Project

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02

277. *(p. 49)* The crucial steps companies perform to achieve their goals and objectives and implement their strategies are called _____ success factor.
<u>Critical</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

278. *(p. 49)* _____ MIS metrics measure the impact MIS has on business processes and activities including customer satisfaction and customer conversion rates.
<u>Effectiveness</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

279. *(p. 49)* _____ MIS metrics measure the performance of the IT system itself including throughput, speed, availability, etc.
<u>Efficiency</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

280. *(p. 50)* _____ focuses on how well an organization is achieving its goals and objectives.
Effectiveness

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

281. *(p. 50)* _____ focuses on the extent to which an organization is using its resources in an optimal way.
Efficiency

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

282. *(p. 50)* _____ are baseline values the system seeks to attain.
Benchmarks

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-02
Topic: Metrics Measuring Business Success

283. *(p. 50)* _____ is a process of continuously measuring system results, comparing those results to optimal system performance, and identifying steps and procedures to improve system performance.
Benchmarking

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember

284. *(p. 50)* _____ is the amount of information that can travel through a system at any point in time.
Throughput

285. *(p. 50)* System _____ is the number of hours a system is available for use by customers and employees.
Availability

286. *(p. 50)* _____ practices are the most successful solutions or problem-solving methods that have been developed by a specific organization or industry.
Best

287. *(p. 55)* _____ seeking analysis finds the inputs necessary to achieve a goal such as a desired level of output.
Goal

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

288. *(p. 55)* The basic business system that serves the operational level (analysts) and assists in making structure decisions is called _____ processing system.
Transaction

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

289. *(p. 55)* Using systems thinking, we can see that the inputs for a transaction processing system are_____ documents, the original transaction record.
Source

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

290. *(p. 55)* _____ support systems model information using OLAP which provides assistance in evaluating and choosing among different courses of action.
Decision

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember

291. *(p. 55)* A _____ is a simplified representation or abstraction of reality.
Model

292. *(p. 56)* _____ information systems is a specialized DSS that supports senior-level executives and unstructured, long-term, nonroutine decisions requiring judgment, evolution and insight.
Executive

293. *(p. 56)* _____ refers to the level of detail in the model or the decision-making process.
Granularity

294. *(p. 56)* _____ produces graphical displays of patterns and complex relationships in large amounts of data.
Visualization

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

295. *(p. 59)* A digital _____ tracks KPIs and CSFs by compiling information from multiple sources and tailoring it to meet user needs.
Dashboard

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

296. *(p. 59)* A model is a simplified representation or abstraction of _____.
Reality

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

297. *(p. 59)* A decision support system models _____ to support managers and business professionals during the decision-making process.
Information

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-02

298. *(p. 56)* _____ analysis occurs when users change the value of one variable repeatedly and observe the resulting changes in other variables.
Sensitivity

299. *(p. 56)* What-if analysis checks the impact of a _____ in an assumption on the proposed solution.
Change

300. *(p. 60)* _____ logic is a mathematical method of handling imprecise or subjective information.
Fuzzy

301. *(p. 60)* _____ systems are various commercial applications of artificial intelligence.
Intelligent

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

302. *(p. 62)* Artificial intelligence simulates _____ intelligence such as the ability to reason and learn.
Human

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

303. *(p. 62)* _____ systems are computerized advisory programs that imitate the reasoning processes of experts in solving difficult problems.
Expert

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

304. *(p. 62)* A(n) _____ agent is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users.
Intelligent

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember

305. *(p. 62)* Executive information systems are starting to take advantage of _____ intelligence to support strategic decision making, by stimulating human thinking and behavior.
<u>Artificial</u>

306. *(p. 63)* A shopping _____ is software that will search several retailer websites and provide a comparison of each retailer's offerings including price and availability.
<u>Bolt</u>

307. *(p. 63)* Citibank uses _____ networks to find opportunities in financial markets by carefully examining historical stock market data.
<u>Neural</u>

308. *(p. 63)* At Microsoft's headquarters in Washington they have implemented a _____ workforce to help alleviate congestion, save on real estate, and potentially increase worker production.
Virtual

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

309. *(p. 64)* The _____ facing processes are also called front-office processes that result in a product or service received by an external customer.
Customer

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

310. *(p. 64)* Customer facing processes result in a product or service that is received by an organization's _____ customer.
External

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

311. *(p. 64)* _____ processes are business processes, such as manufacturing goods, selling products, and providing service that make up the primary activities in a value chain.
<u>Core</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

312. *(p. 66)* A business process _____ is a patent that protects a specific set of procedures for conducting a particular business activity.
<u>Patent</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-05
Topic: Evaluating Business Processes

313. *(p. 70)* A _____ lane layout arranges the steps of a business process into a set of rows depicting the various elements.
<u>Swim</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

314. *(p. 70)* Business process modeling or _____ is the activity of creating a detailed flowchart or process of a work process that shows its inputs, tasks, and activities in a structured sequence.
<u>Mapping</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

315. *(p. 70)* As-Is _____ model represents the current state of the operation that has been mapped, without any specific improvements or changes to existing processes.
<u>Process</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

316. *(p. 70)* To-Be process _____ represent the current state of the operation that has been mapped, without any specific improvements or changes to existing processes.
<u>Model</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-06
Topic: Models Measuring Performance

317. *(p. 71)* A _____ occurs when resources reach full capacity and cannot handle any additional demands.
<u>Bottleneck</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

318. *(p. 72)* The primary types of business process change from the operational level to the strategic level are _____, streamlining, and reengineering.
<u>Automation</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 2 Medium
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

319. *(p. 72)* Business process reengineering is the analysis and _____ of workflow within and between enterprises.
<u>Redesign</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Understand
Difficulty: 2 Medium
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

320. *(p. 72)* _____ includes the tasks, activities, and responsibilities required to execute each step in a business process.
<u>Workflow</u>

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

321. *(p. 72)* _____ is the process of computerizing manual tasks, making them more efficient and effective and dramatically lowering operational costs.
Automation

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

322. *(p. 72)* _____ improves business process efficiencies by simplifying or eliminating unnecessary steps in a process.
Streamlining

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

323. *(p. 77)* A business _____ management system focuses on evaluating and improving processes that include both person-to-person workflow and system-to-system communications.
Process

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Remember
Difficulty: 1 Easy
Learning Outcome: 02-08
Topic: Support Changing Business Processes with MIS

Essay Questions

324. *(p. 48)* Explain the importance of decision making for managers at each of the three primary organization levels along with the associated decision characteristics.

Decision-making skills are essential for all business professionals, at every company level, who make decisions that run the business. At the operational level, employees develop, control, and maintain core business activities required to run the day-to-day operations. Operational decisions are considered structured decisions, which arise in situations where established processes offer potential solutions. Structured decisions are made frequently and are almost repetitive in nature; they affect short-term business strategies. At the managerial level, employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change. Managerial decisions cover short- and medium-range plans, schedules, and budgets along with policies, procedures, and business objectives for the firm. These types of decisions are considered semistructured decisions ; they occur in situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision. At the strategic level, managers develop overall business strategies, goals, and objectives as part of the company's strategic plan. They also monitor the strategic performance of the organization and its overall direction in the political, economic, and competitive business environment. Strategic decisions are highly unstructured decisions, occurring in situations in which no procedures or rules exist to guide decision makers toward the correct choice. They are infrequent, extremely important, and typically related to long-term business strategy.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-01
Topic: Making Business Decisions

325. *(p. 49)* Define critical success factors (CSFs) and key performance indicators (KPIs), and explain how managers use them to measure the success of MIS projects.

Metrics are measurements that evaluate results to determine whether a project is meeting its goals. Two core metrics are critical success factors and key performance indicators. CSFs are the crucial steps companies perform to achieve their goals and objectives and implement their strategies and include creating high-quality products, retaining competitive advantages, and reducing product costs. KPIs are the quantifiable metrics a company uses to evaluate progress toward critical success factors. KPIs are far more specific than CSFs; examples include turnover rates of employees, percentage of help-desk calls answered in the first minute, and number of products returned. It is important to understand the relationship between critical success factors and key performance indicators. CSFs are elements crucial for a business strategy's success. KPIs measure the progress of CSFs with quantifiable measurements, and one CSF can have several KPIs. Of course, both categories will vary by company and industry. Imagine improved graduation rates as a CSF for a college.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-02
Topic: Making Business Decisions

326. *(p. 54)* Classify the different operational support systems, managerial support systems, and strategic support systems, and explain how managers can use these systems to make decisions and gain competitive advantages.

Being able to sort, calculate, analyze, and slice-and-dice information is critical to an organization's success. Without knowing what is occurring throughout the organization there is no way that managers and executives can make solid decisions to support the business. The different operational, managerial, and strategic support systems include: Operational: A transaction processing system (TPS) is the basic business system that serves the operational level (analysts) in an organization. The most common example of a TPS is an operational accounting system such as a payroll system or an order-entry system. Managerial: A decision support system (DSS) models information to support managers and business professionals during the decision-making process. Strategic: An executive information system (EIS) is a specialized DSS that supports senior level executives within the organization.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-03
Topic: Support Enhancing Decision Making with MIS

327. *(p. 60)* Describe artificial intelligence, and identify its five main types.

Artificial intelligence (AI) simulates human thinking and behavior, such as the ability to reason and learn. The five most common categories of AI are: 1. Expert systems—computerized advisory programs that imitate the reasoning processes of experts in solving difficult problems. 2: Neural networks—attempts to emulate the way the human brain works. 3. Genetic algorithm—a system that mimics the evolutionary, survival-of-the-fittest process to generate increasingly better solutions to a problem. 4. Intelligent agents—a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users. 5. Virtual reality—a computer-simulated environment that can be a simulation of the real world or an imaginary world.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-04
Topic: The Future Artificial Intelligence

328. *(p. 64)* Explain the value of business processes for a company, and differentiate between customer-facing and business-facing process.

A business process is a standardized set of activities that accomplish a specific task, such as processing a customer's order. Business processes transform a set of inputs into a set of outputs (goods or services) for another person or process by using people and tools. Without processes, organizations would not be able to complete activities. Customer-facing processes result in a product or service that is received by an organization's external customer. Business-facing processes are invisible to the external customer but essential to the effective management of the business.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-05
Topic: Evaluating Business Processes

329. *(p. 70)* Demonstrate the value of business process modeling, and compare As-Is and To-Be models.

Business process modeling (or mapping) is the activity of creating a detailed flowchart or process map of a work process showing its inputs, tasks, and activities, in a structured sequence. A business process model is a graphic description of a process, showing the sequence of process tasks, which is developed for a specific purpose and from a selected viewpoint. Business process modeling usually begins with a functional process representation of what the process problem is, or an As-Is process model. As-Is process models represent the current state of the operation that has been mapped, without any specific improvements or changes to existing processes. The next step is to build a To-Be process model that displays how the process problem will be solved or implemented. To-Be process models show the results of applying change improvement opportunities to the current (As-Is) process model. This approach ensures that the process is fully and clearly understood before the details of a process solution are decided upon.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-06
Topic: Models Measuring Performance

CHAPTER 2: Decisions and Processes: Value Driven Business Key

330. *(p. 71)* Differentiate among business process improvements, streamlining, and reengineering.

Business process improvement attempts to understand and measure the current process and make performance improvements accordingly. Streamlining improves business process efficiencies by simplifying or eliminating unnecessary steps. Bottlenecks occur when resources reach full capacity and cannot handle any additional demands; they limit throughput and impede operations. Streamlining removes bottlenecks, an important step if the efficiency and capacity of a business process are being increased. Business process reengineering (BPR) is the analysis and redesign of workflow within and between enterprises and occurs at the systems level or companywide level and the end-to-end view of a process.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-07
Topic: Support Changing Business Processes with MIS

331. *(p. 77)* Describe business process management and its value to an organization.

Business process management (BPM) systems focus on evaluating and improving processes that include both person-to-person workflow and system-to-system communications. BPM systems include advanced features such as enhanced process modeling, simulation, execution, and monitoring, providing a high level of flexibility while reducing costs.

AACSB: Reflective Thinking
AACSB: Technology
Blooms: Analyze
Difficulty: 3 Hard
Learning Outcome: 02-08
Topic: The Future Business Process Management