Chapter 08 Business Across the Enterprise Answer Key

True / False Questions

1. CRM systems store customer account data in multiple specialized databases and then make it available throughout a company via Internet, intranet, or other network links. (p. 309)

   FALSE

   CRM systems store data in a common customer database that integrates all customer account information.

2. CRM gives sales representatives lagged, but recent, access to a customer's account status and history before scheduling sales calls. (p. 312)

   FALSE

   CRM gives sales representatives real-time access to customer data.

3. Call center software helps customer service reps assist customers who are having problems with a product or service by providing relevant service data and suggestions. (p. 312)

   FALSE

   Call center software routes calls to customer support agents; help desk software helps customer services reps deal with problems.

4. It costs twice as much to sell to a new customer than it does to sell to an existing one. (p. 312)

   FALSE

   It costs six times more to sell to a new customer than to sell to an existing one.

5. (p. 312) A company can boost its profits 85 percent by increasing its annual customer retention by only 5 percent.

TRUE

6. (p. 313) The majority of complaining customers will do business with a company again if it quickly takes care of the problem.

TRUE

7. (p. 315) CRM can keep track of when a customer contacts a company, if the customer uses a previous contact point.

FALSE

CRM can keep track of when a customer contacts a company, regardless of the contact point.

8. (p. 314-315) The three steps in the customer life cycle are acquire, balance, and retain.

FALSE

The three steps in the customer life cycle are acquire, enhance, and retain.

9. (p. 316) Industry research groups report that most CRM projects produce the promised results.

FALSE

Research groups report that over 50 percent of CRM projects do not produce the results that were promised.

10. CRM software is difficult to install because it often touches many different legacy systems. (p. 317)

TRUE

11. ERP systems support many vital human resource processes, from personnel requirements planning to salary and benefits administration. (p. 320)

TRUE

12. ERP software suites typically consist of integrated modules of manufacturing, distribution, sales, inventory, and human resource applications. (p. 320)

FALSE

ERP software suites typically consist of integrated modules of manufacturing, distribution, sales, accounting, and human resource applications.

13. Losses from a failed ERP implementation can run into the hundreds of millions of dollars. (p. 325)

TRUE

14. In many cases, ERP failures are due to over-reliance on the claims of ERP software vendors. (p. 326)

TRUE

15. (p. 327) The growth of the Internet and corporate intranets and extranets prompted software companies to build Web interfaces and networking capabilities into ERP systems.

TRUE

16. (p. 327) Four important trends are shaping the continuing evolution of ERP: improvements in integration and flexibility, extensions to e-business applications, a broader reach to new users, and the adoption of Internet technologies.

TRUE

17. (p. 328) Some e-business suites disassemble ERP components and integrate them into other modules, while other products keep ERP as a distinct module in the software suite.

TRUE

18. (p. 329) According to the textbook case, fragmented internal systems are highly unusual in a company that experiences rapid growth.

FALSE

Fragmented internal systems are not unusual in a company that experiences rapid growth.

19. (p. 330) Many companies today are turning to Internet technologies to Web-enable their supply chain processes, decision making, and information flows.

TRUE

20. (p. 334) EDI software typically converts a company's own document formats into standardized EDI formats.

TRUE

21. (p. 334) EDI automatically tracks inventory changes; triggers orders, invoices, and other documents related to transactions; and schedules and confirms delivery and payment.

TRUE

22. (p. 335) According to the textbook case, InfoEDI's forms-based interface lets businesses connect to InfoEDI via modems and Web browsers.

TRUE

23. (p. 339-340) Nike's failed SCM implementation cost the firm over $100 million in lost sales, depressed stock prices, and caused class action lawsuits.

TRUE

24. (p. 341-342) Every supply chain application installation requires a hefty up-front investment.

FALSE

Some supply chain applications are rather inexpensive. For instance, Modern Plastics Technology in Port Huron, Michigan, spends just a few hundred dollars a month to access a Web-based supply chain application.

Multiple Choice Questions

25. (p. 309) Managing the full range of the customer relationship involves two related objectives: (1) providing the organization and all customer-facing employees with a single, complete view of every customer at every touch and across all channels, and (2) providing _____.

A. suppliers with a single, complete view of the internal workings of the company
B. distributors with a single, complete view of the company and its extended channels
C. customers with a single, complete view of the company and its extended channels
D. customers, suppliers, and investors with a complete view of the internal workings of the company

26. (p. 309) _____ systems store customer account data in common databases and then make it available throughout a company via Internet, intranet, or other network links.

A. Enterprise Resource Planning (ERP)
B. Supply Chain Management (SCM)
C. Customer Relationship Management (CRM)
D. Knowledge Management (KM)

27. (p. 309) CRM systems store customer account data in common databases and then make it available throughout a company via all the following, except: Internet, intranet, or other network links.

A. Internet
B. Intranet
C. Network links
D. Catalogs

28. (p. 309) CRM software uses information technology to create an enterprisewide system that integrates and automates many of the _____ processes with which customers interact.

A. sales
B. customer-serving
C. marketing
D. All of the choices are correct.

29. (p. 309) Siebel Systems, Oracle, PeopleSoft, SAP AG, and Epiphany are some of the leading vendors of _____ software.

A. ERP
B. CRM
C. PRM
D. All of the choices are correct.

30. A CRM system provides sales reps with the software tools and company data sources they need to _____. (p. 309)

A. support and manage their sales activities
B. optimize cross-selling
C. optimize up-selling
D. All of the choices are correct.

31. CRM systems help marketing professionals do all of the following except: (p. 312)

A. Qualify leads for targeted marketing
B. Schedule direct marketing mailings
C. Track direct marketing mailings
D. Build up-to-date marketing brochures

32. CRM systems help fulfill prospect and customer responses and requests by doing all of the following except: (p. 312)

A. Mailing out additional marketing materials
B. Providing product information
C. Capturing relevant information for the CRM database
D. Quickly scheduling sales contacts

33. It costs _____ to sell to a new customer than it does to sell to an existing one.
(p. 312)

A. twice as much
B. the same amount
C. six times more
D. half as much

34. A typical dissatisfied customer will tell _____ about his or her experience.
(p. 312)

A. 8 to 10 people
B. nobody
C. everyone he/she knows
D. 2-4 people

35. A company can boost its profits _____ by increasing its annual customer retention by only _____.
(p. 312)

A. 8 percent, 10 percent
B. 100 percent, 2 percent
C. 5 percent, 58 percent
D. 85 percent, 5 percent

36. The odds of selling a product to a new customer are _____, whereas the odds of selling a product to an existing customer are _____.
(p. 312)

A. 10 percent, 75 percent
B. 15 percent, 50 percent
C. 5 percent, 20 percent
D. 5 percent, 85 percent

37. If a company takes care of a service problem quickly, _____ of complaining customers will do business with the company again.
(p. 312)

A. 70 percent
B. 15 percent
C. 50 percent
D. 85 percent

38. CRM systems help a company identify, reward, and market to their most loyal and profitable customers through:
(p. 313)

A. Analytical marketing software
B. Databases that include a customer data warehouse and CRM data mart
C. Data mining tools
D. All of the choices are correct.

39. A CRM system should support the organization in which phase of the relationship between a business and its customers? (p. 314-315)

A. Acquire and enhance
B. Enhance and retain
C. Acquire, enhance, and retain
D. Acquire and retain

40. A CRM system includes all the following phases, except: (p. 314-315)

A. Acquire
B. Enhance
C. Balance
D. Retain

41. The goal of the _____ phase of a customer relationship is to help customers perceive the value of a superior product offered by an outstanding company. (p. 314)

A. acquire
B. enhance
C. retain
D. all of the choices are correct.

42. In the _____ phase of a customer relationship, a business relies on CRM software tools and databases to proactively identify and reward its most loyal and profitable customers via targeted marketing programs.
(p. 315)

A. acquire
B. enhance
C. retain
D. all of the choices are correct.

43. In the _____ phase of a customer relationship, CRM account management and customer service and support tools help keep customers happy by supporting superior service from a responsive networked team of sales and service specialists and business partners.
(p. 315)

A. acquire
B. enhance
C. retain
D. all of the choices are correct.

44. Research shows that the major reason for CRM failure is:
(p. 315)

A. senior management opposition
B. lack of support from software vendors
C. lack of understanding and preparation
D. none of the choices are correct.

45. (p. 315) According to the text, common wisdom holds which of the following as a reason for CRM failure?

A. senior management opposition
B. elongated projects that take on too much, too fast.
C. lack of support from software vendors
D. all of the choices are correct.

46. (p. 315) According to the text, common wisdom holds all of the following as reasons for CRM failure, except:

A. Lack of senior management sponsorship.
B. elongated projects that take on too much, too fast.
C. Lack of end-user incentives leading to poor user adoption rates.
D. All of the choices are correct.

47. (p. 317) Increasingly, businesses are moving to _____ CRM systems, to involve business partners as well as customers in collaborative customer services.

A. operational
B. analytical
C. collaborative
D. portal-based

48. All of the following are examples of the business value of operational CRM except:
(p. 318)

A. Enables easy collaboration with customers, suppliers, and partners
B. Supports customer interaction with greater convenience through a variety of channels, including phone, fax, e-mail, chat, and mobile devices
C. Synchronizes customer interactions consistently across all channels
D. Makes a company easier to do business with

49. Which of the following is an example of the business value of collaborative CRM?
(p. 318)

A. Provides all users with the tools and information that fit their individual roles and preferences
B. Improves efficiency and integration throughout the supply chain
C. Empowers all employees to respond to customer demands more quickly
D. Synchronizes customer interaction with greater convenience through a variety of channels, including phone, fax, e-mail, chat, and mobile devices

50. A(n) _____ CRM provides all users with the tools and information they need to fit their individual roles and preferences.
(p. 318)

A. operational
B. analytical
C. collaborative
D. portal-based

51. (p. 320) Enterprise resource planning is recognized as a necessary ingredient that many companies need in order to:

A. Gain the efficiency, agility, and responsiveness required to succeed in today's dynamic business environment
B. Maximize their marketing dollars
C. Reduce inventory levels
D. Hold onto competent employees in a competitive environment

52. (p. 320) _____ is the technological backbone of e-business, an enterprise-wide transaction framework with links into sales order processing, inventory management and control, production and distribution planning, and finance.

A. Enterprise resource planning
B. Supply chain management
C. Electronic data interchange
D. Partner relationship management

53. (p. 320) Enterprise resource planning software for a manufacturing company will typically process data from _____.

A. sales orders and inventory
B. sales, inventory, shipping, and invoicing, as well as from forecasts for raw material and human resources
C. accounts receivable and payable
D. none of the choices are correct.

54. (p. 324) According to the textbook case, it took Colgate U.S. anywhere from one to five days to acquire an order and another one to two days to process the order. After ERP, order acquisition and processing combined takes _____.

A. five days
B. three days
C. 24 hours
D. four hours

55. (p. 324) ERP creates a framework for integrating and improving a company's internal business processes that results in significant improvements in the quality and efficiency of:

A. Customer service
B. Production
C. Distribution
D. All of the choices are correct.

56. (p. 324) ERP systems can provide vital cross-functional information on business performance to managers in a very timely manner. This describes the key business benefit of:

A. Enterprise agility
B. Decision support
C. Decreased costs
D. Quality and efficiency

57. Of the typical costs associated with implementing a new ERP system, _____ is the lowest.
(p. 325)

A. hardware
B. software
C. data conversions
D. reengineering

58. Although the benefits of ERP are many, the costs and risks can be considerable. Which of the following make up the bulk of the cost of implementing a new ERP system?
(p. 325)

A. Hardware
B. Software
C. Reengineering (developing new business processes)
D. Converting data from legacy systems

59. Which of the following has been a major cause of failure in ERP projects?
(p. 326)

A. Business managers and IT professionals underestimating the complexity of the planning, development, and training needed
B. Trying to do too much too fast
C. Insufficient training in the new work tasks required by the ERP system
D. All of the choices are correct.

60. (p. 329) According to the textbook case, Visa's _____ management infrastructure was fragmented, complex, and costly to maintain.

A. human resources
B. financial
C. marketing
D. communications

61. (p. 320) Fundamentally, _____ helps a company get the right products to the right place at the right time, in the proper quantity, and at an acceptable cost.

A. customer relationship management
B. supply chain management
C. electronic data interchange
D. partner relationship management

62. (p. 330) The goal of SCM is to create a fast, efficient, and low-cost network of business relationships, or a _____, to get a company's products from concept to market.

A. supply chain
B. service chain
C. product chain
D. relationship chain

63. (p. 330) Because each supply chain process should add value to the products or services a company produces, a supply chain is frequently called a _____ chain.

A. process
B. service
C. product
D. value

64. (p. 330) A typical box of breakfast cereal takes _____ to get from factory to supermarket, struggling its way through wholesalers, distributors, brokers, and consolidators, each of which has a warehouse.

A. seven days
B. 30 days
C. over 100 days
D. six months

65. (p. 330-333) The demands of today's competitive business environment are pushing manufacturers to use which of the following technologies to help them re-engineer their relationships with suppliers, distributors, and retailers?

A. Intranets
B. Extranets
C. E-commerce Web portals
D. All of the choices are correct.

66. (p. 333) Which of the following correctly describes the supply chain life cycle supported by SCM systems?

A. Commit, schedule, make, and deliver
B. Buy, make, sell
C. Buy, sell, schedule, deliver
D. None of the choices are correct.

67. (p. 334) _____ involves the electronic exchange of business transaction documents over the Internet and other networks between supply chain trading partners (organizations and their customers and suppliers).

A. Data exchange
B. Intranets
C. Electronic data interchange
D. Data interchange

68. (p. 334) EDI is still a popular data-transmission format among major trading partners, primarily to automate repetitive transactions, though it is slowly being replaced by _____-based Web services.

A. HTML
B. Intranet
C. Web-2
D. XML

69. (p. 335) According to the textbook case, Telefonica realized that many smaller businesses could not afford standard EDI services, so they offered InfoEDI which allows transmission to be entered and processed _____.

A. on data exchanges
B. on intranets
C. on the Internet
D. on extranets

70. (p. 336) All of the following are strategic SCM objectives and outcomes except:

A. Establishing policies
B. Designing a network
C. Establishing objectives
D. Scheduling production

71. (p. 336) Which of the following is a tactical SCM objective?

A. Deploying resources to match supply to demand
B. Monitoring, controlling, and adjusting production
C. Changing transportation methods
D. Establishing objectives and policies

72. All of the following are operation SCM objectives and outcomes except:
(p. 336)

A. Schedule and monitor production
B. Control and adjust production
C. Order/inventory tracking
D. Material movement

73. Which of the following is a execution SCM objective?
(p. 336)

A. Build and transport
B. Monitoring, controlling, and adjusting production
C. Changing transportation methods
D. Establishing objectives and policies

74. Optimize network of suppliers, plants, and distribution centers is an outcome of the _____ SCM function.
(p. 337)

A. supply chain design
B. materials management
C. collaborative fulfillment
D. supply chain event management

75. (p. 337) Develop an accurate forecast of customer demand by sharing demand and supply forecasts instantaneously across multiple tiers is an outcome of the _____ SCM function.

A. supply chain design
B. collaborative demand and supply planning
C. collaborative fulfillment
D. supply chain event management

76. (p. 337) Sharing of accurate inventory and procurement information is an outcome of the _____ SCM function.

A. supply chain design
B. materials management
C. collaborative fulfillment
D. supply chain event management

77. (p. 337) Optimize plans and schedules while considering resource, material, and dependency constraints is an outcome of the _____ SCM function.

A. supply chain design
B. materials management
C. collaborative fulfillment
D. collaborative manufacturing

78. (p. 337) Support the entire logistics process, including picking, packing, shipping, and delivery in foreign countries is an outcome of the _____ SCM function.

A. supply chain design
B. materials management
C. collaborative fulfillment
D. supply chain event management

79. (p. 337) Monitor every stage of the supply chain process, from price quotation to the moment the customer receives the product is an outcome of the _____ SCM function.

A. supply chain design
B. materials management
C. collaborative fulfillment
D. supply chain event management

80. (p. 337) Report key measurements in the supply chain, such as filling rates, order cycle times, and capacity utilization is an outcome of the _____ SCM function.

A. supply chain performance management
B. materials management
C. collaborative fulfillment
D. supply chain event management

81. SCM systems generally provide companies with all of the following benefits except:
(p. 338)

A. Lower marketing costs
B. Quicker times to market
C. Reductions in inventory levels
D. Lower transaction and materials costs

82. Companies employing supply chain management systems can still face problems.
(p. 339) Which of the following is not identified as a cause of SCM problems in the text?

A. A lack of demand planning knowledge
B. Inaccurate production or inventory data provided by a company's other information systems
C. Inaccurate or overly-optimistic demand forecasts
D. Too many solutions from which to choose

83. A lack of adequate collaboration between suppliers, distributors, and _____
(p. 339) departments within a company will sabotage any SCM system.

A. marketing
B. production
C. inventory management
D. All of the choices are correct.

84. Nike's failed SCM implementation resulted in all the following except:
(p. 339-340)

A. $100 million in lost sales
B. 50% of the Nike factories were closed
C. Depressed stock prices
D. Class action lawsuits

85. Companies in stage _____ of a supply chain management implementation concentrate on making improvements to internal supply chain processes and external processes and relationships with suppliers and customers.
(p. 340)

A. one
B. two
C. three
D. four

86. Companies in stage _____ of a supply chain management implementation concentrate on expanding the business network of Web-enabled SCM-capable trading partners in their supply chain to increase operational efficiency and effectiveness in meeting strategic business objectives.
(p. 340)

A. one
B. two
C. three
D. four

87. (p. 341) Companies in stage _____ of a supply chain management implementation strive to optimize the development and management of their supply chains in order to meet strategic customer value and business value goals.

A. one
B. two
C. three
D. four

88. (p. 341) Which of the following would occur in stage 3 of a supply chain management implementation?

A. Order fulfillment
B. Collaborative marketing
C. Order management
D. Resource allocation

89. (p. 341) Which of the following would occur in stage 1 of a supply chain management implementation?

A. Logistics
B. Collaborative marketing
C. Order management
D. Resource allocation

90. According to the textbook case, SCM software:
(p. 341)

A. allows McKesson to monitor CVS's store level consumption and inventory
B. allows CVS to monitor McKesson's store level consumption and inventory
C. allows McKesson to see what items CVS is ordering from other vendors
D. allows CVS to place orders with vendors other than McKesson

Fill in the Blank Questions

91. _____ systems store customer account data in common databases and then make it available throughout a company via Internet, intranet, or other network links.
(p. 309)

Customer Relationship Management (CRM)

92. _____ software helps sales, marketing, and service professionals capture and track relevant data about every past and planned contact with prospects and customers, as well as other business and life cycle events of customers.
(p. 309)

Customer Relationship Management (CRM)

93. _____ software routes calls to customer support agents based on their skills and authority to handle specific kinds of service requests.
(p. 312)

Call Center

94. _____ software helps customer service reps assist customers who are having problems with a product or service by providing relevant service data and suggestions for resolving problems. (p. 312)

Help Desk

95. According to the text, it costs _____ times more to sell to a new customer than to sell to an existing one. (p. 312)

six

96. According to the text, a company can boost its profits by _____ percent by increasing its annual customer retention by only 5 percent. (p. 312)

eighty-five (85)

97. Enhancing and optimizing customer retention and _____ is a major business strategy and primary objective of customer relationship management. (p. 313)

loyalty

98. The three steps in the customer life cycle are _____, _____, and _____. (p. 314-315)

acquire; enhance; and retain

99. CRM software is difficult to install because it often touches many different _____ systems.
(p. 317)

legacy

100. Most businesses start out with _____ CRM systems, such as sales force automation and customer service centers.
(p. 318)

operational

101. ERP software suites typically consist of integrated modules of manufacturing, distribution, sales, _____, and human resource applications.
(p. 320)

accounting

102. According to the textbook case, Colgate implemented SAP R/3 because it needed to coordinate globally and act _____.
(p. 324)

locally

103. According to the text, in many cases ERP failures are due to _____ on the claims of ERP software vendors.
(p. 326)

over-reliance

104. (p. 327) Four important trends are shaping the continuing evolution of ERP: improvements in integration and flexibility, extensions to e-business applications, a broader reach to new users, and the adoption of _____ technologies.

Internet

105. (p. 327) The ERP software packages that were the mainstay of ERP implementations in the 1990s were often criticized for their _____.

inflexibility

106. (p. 327) The major ERP software companies have developed modular, _____-enabled software suites that integrate ERP, customer relationship management, supply chain management, procurement, decision support, enterprise portals, and other business applications and functions.

Web or Internet

107. (p. 327) The growth of the Internet and corporate _____ and _____ prompted software companies to build Web interfaces and networking capabilities into ERP systems.

Intranets; Extranets

108. The goal of SCM is to create a fast, efficient, and low-cost network of business relationships, or a _____, to get a company's products from concept to market. (p. 330)

supply chain

109. Because each supply chain process should add value to the products or services a company produces, a supply chain is frequently called a _____ chain. (p. 330)

value

110. EDI is still a popular data-transmission format among major trading partners, primarily to automate repetitive transactions, though it is slowly being replaced by _____-based Web services. (p. 334)

XML

111. Companies in stage _____ of a supply chain management implementation concentrate on making improvements to internal supply chain processes and external processes and relationships with suppliers and customers. (p. 340)

one

112. Companies in stage _____ of a supply chain management implementation concentrate on expanding the business network of Web-enabled SCM-capable trading partners in their supply chain to increase operational efficiency and effectiveness in meeting strategic business objectives.
(p. 340)

two

113. Companies in stage _____ of a supply chain management implementation strive to optimize the development and management of their supply chains in order to meet strategic customer value and business value goals.
(p. 341)

three

114. According to the text case, supply chain integration helped CVS move from pull to push promotions by allowing marketing managers to plan promotions more effectively, using an item history taken from historical _____ data on a store-by-store basis.
(p. 341-342)

point-of-sale

115.
(p. 335)

According to the textbook case, Telefonica realized that many smaller businesses could not afford standard EDI services, so they offered InfoEDI which allows transmission to be entered and processed _____.

on the Internet

Chapter 09 e-Commerce Systems Answer Key

True / False Questions

1. (p. 350) E-commerce does not include such things as extranet access of inventory databases by customers and suppliers.

FALSE

E-commerce also includes e-business processes such as extranet access of inventory databases by customers and suppliers and intranet access of customer relationship management systems by sales and customer service reps.

2. (p. 373) Wholesale (B2B) electronic commerce relies on many different information technologies, most of which can be implemented on the Internet, the World Wide Web, corporate intranets, or extranets.

TRUE

3. (p. 374) E-commerce portals can provide auction and exchange marketplaces for businesses as well as for individuals.

TRUE

4. Many of the components used for commercial e-commerce applications do not work with internal, noncommerce e-business applications. (p. 355)

FALSE

Many of the key components of an e-commerce process architecture may also be used in internal, noncommerce e-business applications.

5. E-commerce processes must be in place to establish mutual trust and secure access between the parties in an e-commerce transaction. (p. 356)

TRUE

6. Technology has not yet developed the ability to track a single user's behavior and preferences on a particular Web site. (p. 356)

FALSE

User profiles are developed using profiling tools such as user registration, cookie files, & other tools.

7. (p. 356) Searching for a product by its description, such as "girls red gym shorts," is an example of a parameter-based search.

FALSE

Searching for a product by its description is an example of a content search. A search by parameters would be above, below, or between a range of values for multiple properties of a product.

8. (p. 356) E-commerce content frequently takes the form of multimedia catalogs of product information.

TRUE

9. (p. 359) Event notification software works with workflow management software to monitor all e-commerce processes and record all relevant events, including unexpected changes or problem situations.

TRUE

10. Payment processes are simple due to the near-anonymous electronic nature of the transactions taking place between the networked computer systems of buyers and sellers.
(p. 360)

FALSE

The near-anonymous electronic nature of payments makes the process complicated, not simple.

11. Banking networks support teller terminals at all bank offices and automated teller machines (ATMs) at locations throughout the world.
(p. 360)

TRUE

12. With a digital wallet payment system, security add-on modules are added to the Web browser.
(p. 361)

TRUE

13. Due to federal law, radio spectrum cannot be resold on the secondary market.

(p. 375)

FALSE

Companies routinely purchase spectrum on the secondary market.

14. Some companies are attempting to copy the successful consumer-to-consumer market model in the business-to-business marketplace.

(p. 375)

TRUE

15. The organization that controls spectrum is the FAA.

(p. 376)

FALSE

The organization that controls spectrum is the FCC.

16. In certain cases, it is possible to convert a physical good, such as a CD, software, or a newspaper, into a virtual good that can be downloaded upon purchase.

(p. 365)

TRUE

17. (p. 369) Most business-to-consumer e-commerce ventures take the form of auction sites on the World Wide Web.

FALSE

Most business-to-consumer e-commerce ventures take the form of retail business sites on the World Wide Web.

18. (p. 369) Many companies use simple website design software tools and predesigned templates provided by their website hosting service to construct their Web retail store.

TRUE

19. (p. 368) According to the text, as more consumers shift their habits from traditional brick-and-mortar shopping to online shopping, the need for communication with the user decreases.

FALSE

As more consumers shift their habits from traditional brick-and-mortar shopping to online shopping, the need for communication with the user increases.

20. (p. 372) Some e-commerce software includes links through which inventory and sales data can be downloaded into local accounting packages, such as QuickBooks.

TRUE

21. (p. 372) Most hosting companies provide simple site building tools and templates, but few provide the ability to protect Web store transactions and customer records with passwords and encryption.

FALSE

Most hosting companies provide e-commerce software that uses passwords and encryption to protect Web store transactions and customer records.

22. (p. 373) Business-to-business electronic commerce is the wholesale, supply side of the commercial process.

TRUE

23. (p. 369) According to the text, email promotion is one of the components of the Build function of developing a Web store.

FALSE

Email promotion is one of the components of the Market function of developing a Web store.

24. (p. 369) According to the text, discussion groups and chat rooms are one of the components of the Support function of Serving Your Customers.

TRUE

25. (p. 374) A many-to-one marketplace hosts one major supplier, who dictates product catalog offerings and prices. Examples include Cisco.com and Dell.com.

FALSE

This is the description of a one-to-many marketplace.

26. Many B2B e-commerce portals are developed and hosted by third parties who serve as infomediaries that bring buyers and sellers together in catalog, exchange, and auction markets.
(p. 375)

TRUE

27. In a B2B e-commerce Web portal configuration, a content manager server e-mails buyers 7 and sellers after a market closes to confirm transactions.
(p. 375)

FALSE

A post-trade market history server e-mails buyers and sellers after a market closes to confirm transactions.

28. Business buyers can get impartial advice from infomediaries that they can't get from the sites hosted by suppliers and distributors.
(p. 375)

TRUE

29. Different companies follow very similar paths in deciding how closely, or loosely, to integrate their Internet initiatives with their traditional operations.
(p. 376)

FALSE

Different companies follow very different paths in deciding how closely, or loosely, to integrate their Internet initiatives with their traditional operations.

30. Customers can shop at OfficeDepot.com at their homes, at their business, or at in-store kiosks.
(p. 377)

TRUE

31. KBtoys.com is a commercial joint venture between two e-tailers of children's products.
(p. 378)

TRUE

32. Barnesandnoble.com was created as an independent e-commerce company that was spun off by the Barnes & Noble book retail chain.
(p. 378)

TRUE

33. There is no universal e-commerce strategy or e-commerce channel choice that works for every company, industry, or type of business. (p. 379)

TRUE

Multiple Choice Questions

34. According to the text, which of the following choices correctly describes e-commerce? (p. 350)

A. Buying and selling products online
B. Reliance on Internet-based technologies and e-commerce to accomplish marketing, discovery, transaction processing, and product and consumer service processes
C. Business-to-consumer online marketing, selling, and transaction processing
D. Business-to-business, business-to-consumer, and consumer-to-consumer online transactions

35. E-commerce includes all of the following except:

(p. 350)

A. E-business processes, such as extranet access of inventory databases

B. Intranet access of customer relationship management systems by sales and customer service reps

C. Customer collaboration in product development via e-mail exchanges

D. Acceptance of payments through ATM networks

36. In a typical e-commerce process, _____ notify suppliers of a new Request For Quote (RFQ) via e-mail.

(p. 353)

A. back-office application servers

B. storage-area networks

C. database servers

D. Web servers

37. Which of the following is not one of the three basic categories of electronic commerce?

(p. 354-355)

A. Government-to-business

B. Business-to-consumer

C. Business-to-business

D. Consumer-to-consumer

38. Electronic personal advertising of products or services to consumers at _____ is an important form of C2C e-commerce. (p. 354-355)

A. electronic newspaper sites

B. consumer e-commerce portals

C. personal websites

D. All of the choices are correct.

39. Authenticating users, authorizing access, and enforcing security features is a component of the e-commerce process called: (p. 356)

A. Event notification

B. Profiling and personalization

C. Search management

D. Access control and security

40. (p. 356) The e-commerce component that deals with gathering data on customers and their website behavior and choices is:

A. Event notification
B. Profiling and personalizing
C. Search management
D. Access control and security

41. (p. 356) When a company addresses issues such as authenticating users of their website, authorizing access, and enforcing the security features that protect both consumers and their data, the company is addressing the _____ component of the e-commerce process.

A. event notification
B. profiling and personalizing
C. search management
D. access control and security

42. (p. 356) The e-commerce component that deals with developing efficient and effective processes to help customers find the specific product or service they want to evaluate or buy is:

A. Event notification
B. Profiling and personalizing
C. Search management
D. Content management

43. (p. 356) When accessing an e-commerce site, you will generally be given access to all of the following except:

A. Webmaster administration areas
B. Product databases
C. Online ordering systems
D. Online customer support

44. _____ software works with workflow management software to monitor all e-commerce processes and record all relevant events, including unexpected changes or problem situations. (p. 359)

A. Supply Chain Management (SCM)
B. Customer Relationship Management (CRM)
C. Enterprise Resource Planning (ERP)
D. Event notification

45. _____ helps employees electronically collaborate to accomplish structured work tasks within knowledge-based business processes, using predefined sets of business rules, roles of stakeholders, authorization requirements, routing alternatives, databases, and the sequence of tasks required for each e-commerce process. (p. 358)

A. Groupware
B. Knowledge management software
C. Database software
D. Workflow management software

46. Most e-commerce systems on the Web involving business and consumers (B2C) depend on _____ payment processes. (p. 360)

A. cash-on-delivery
B. purchase order
C. electronic check
D. credit card

47. Event notification software works with workflow management software to do all the following, except: (p. 360)

A. Monitor all e-commerce processes
B. Record all relevant events
C. Record unexpected changes or problem situations
D. Provide catalog and content information to prospective customers.

48. (p. 360) Payment processes for e-commerce transaction are _____ due to _____ nature of the transactions taking place between the networked computer systems of buyers and sellers.

A. Complex; the near-anonymous electronic

B. Simple; the very specific manual

C. Complex; the very specific manual

D. Simple; the near-anonymous electronic

49. (p. 360) When customers can select products from website catalog displays and put them into a virtual holding bin for later checkout and processing, they are using a _____.

A. shopping cart

B. configuration queue

C. PayPal register

D. shopping queue

50. Banking networks support teller terminals at _____ and automated teller machines (ATMs) at _____. (p. 360)

A. all bank offices; locations throughout the world
B. any bank; local bank branches
C. all bank offices; local bank branches
D. any bank; locations throughout the world

51. Electronic funds transfer systems: (p. 360-361)

A. Handle most forms of electronic payment in the banking and retailing industries
B. Use a variety of information technologies to capture and process money and credit transfers between banks, business, and customers
C. Make it possible for consumers to use a credit or debit card to instantly pay for purchases at retail outlets
D. All of the choices are correct.

52. (p. 361) The text describes a number of measures that are being developed in order to solve security problems associated with online credit card purchases. Which of the following statements is not one of those measures?

A. Encryption of data passing between the customer and the merchant
B. Encryption of data passing between the customer and the company authorizing the credit card transaction
C. Delaying shipment of items purchased until the purchaser is authenticated
D. Taking sensitive data offline

53. (p. 361) Many companies use the SSL security method developed by Netscape Communication that automatically encrypts data passing between a Web browser and a merchant's server. SSL stands for:

A. Secure Socket Level
B. Secure Socket Layer
C. Security Safety Latching
D. Safe Server Listing

54. Firms such as VISA, MasterCard, IBM, Microsoft, and Netscape have agreed to SET which stands for:
(p. 361)

A. Satellite Encrypted Transfer
B. Strongly Encrypted Telecommunications
C. Secure Electronic Transaction
D. Smooth eFunds Transaction

55. E-commerce is changing how companies do business both internally and externally with their _____.
(p. 362)

A. customers
B. business partners
C. suppliers
D. All of the choices are correct.

56. E-commerce applications that focus on the consumer share all of the following goals except:
(p. 362)

A. Attracting potential buyers
B. Handling goods and services transactions
C. Building customer loyalty
D. Duplicating successful website layouts and functions

57. Which of the following would generally take the longest time to implement?
(p. 365)

A. Interactive marketing
B. Procurement automation
C. Web storefront and e-catalog
D. Self-service Web sales

58. Which of the following is considered a B2B project?
(p. 365)

A. Interactive marketing
B. Self-service Web sales
C. Integrated Web store
D. Extranets and exchanges

59. A basic fact for Internet retailing is that all retail websites are created equal as far as the _____ imperative of success in retailing is concerned.
(p. 365)

A. advertising

B. integration

C. location

D. pricing

60. All the following factors are key to e-tailing, except:.
(p. 365)

A. Selection and value

B. Security and reliability

C. Locating the business close to the customers

D. Look and feel of the Website

61. Which statement best addresses the e-commerce success factor of selection and value? (p. 365-366)

A. "I don't want to browse through a slow website or buy from a site where paying takes too long."

B. "Your prices don't have to be the lowest on the Web as long as you have a reputation for high quality, guaranteed satisfaction, and customer support."

C. "I want to know about sales when I log onto a site and get free shipping if the value of my order exceeds a certain amount."

D. "I want to receive the exact product that I ordered, within the timeframe promised."

62. Which of the following is an example of a traditional market communication? (p. 367)

A. Niche magazine ads

B. Buttons

C. Banners

D. Sponsorships

63. (p. 367) The statement "Most business-to-consumer sites offer consumers incentives to buy and return, such as coupons, discounts, special offers, and vouchers for other Web services" reflects the _____ success factor for retailing on the Web.

A. Performance and service efficiency
B. Selection and value
C. Advertising and incentives
D. Look and feel

64. (p. 367) Easy-to-find contact information, online order status, and product support specialists are part of the _____ success factor for retailing on the Web.

A. Performance and service efficiency
B. Selection and value
C. Advertising and incentives
D. Great customer communication

65. Trustworthy product information and reliable order fulfillment are part of the _____ success factor for retailing on the Web. (p. 367)

A. Performance and service efficiency
B. Security and reliability
C. Advertising and incentives
D. Great customer communication

66. Attractive Web storefront, Web site shopping areas, multimedia product catalog pages, and shopping features are part of the _____ success factor for retailing on the Web. (p. 367)

A. Look and feel
B. Selection and value
C. Advertising and incentives
D. Great customer communication

67. Competitive prices, satisfaction guarantees, and customer support after the sale are part of the _____ success factor for retailing on the Web. (p. 367)

A. Performance and service efficiency
B. Selection and value
C. Advertising and incentives
D. Great customer communication

68. Fast and easy navigation, shopping, and purchasing, and prompt shipping and delivery are part of the _____ success factor for retailing on the Web. (p. 367)

A. Performance and service efficiency
B. Selection and value
C. Advertising and incentives
D. Great customer communication

69. Web advertising, e-mail notices, and interactive support for all customers are part of the _____ success factor for retailing on the Web. (p. 367)

A. Performance and service efficiency
B. Selection and value
C. Personal attention
D. Great customer communication

70. Linking of customers, suppliers, company representatives, and others via newsgroups, chat rooms, and links to related sites are part of the _____ success factor for retailing on the Web. (p. 367)

A. Performance and service efficiency
B. Selection and value
C. Personal attention
D. Community relationships

71. (p. 367) The statement "Give online customers with similar interests a feeling of belonging to a unique group of like-minded individuals" reflects the _____ success factor for retailing on the Web.

A. performance and service efficiency
B. community relationships
C. personalization
D. look and feel

72. (p. 367-368) Which of the following statements reflects the e-commerce success factor of security and reliability?

A. "I want to be able to quickly find what I'm looking for."
B. "I want the lowest price on the Web, every time."
C. "I'm looking for a huge variety of goods and services."
D. "I want to receive my order in the timeframe promised."

73. The Amazon Giver application does which of the following?

(p. 368)

A. Allows MySpace members the ability to buy gifts for each other.

B. Allows FaceBook members the ability to buy gifts for each other.

C. Allows MySpace members the ability to sell items to each other.

D. Allows FaceBook members the ability to sell items to each other.

74. The Amazon Grapevine application does which of the following?

(p. 368)

A. Provides MySpace members with news feeds from the latest news sources.

B. Provides FaceBook members with news feeds from the latest news sources.

C. Provides MySpace members with news feeds of friends' activities on Amazon.

D. Provides FaceBook members with news feeds of friends' activities on Amazon.

75. (p. 369) Building an e-commerce website can be done in a number of ways. Which of the following would a small company with limited capital most likely choose as a cost-effective option?

A. Use the website design tools and predesigned templates provided by a website host
B. Use in-house personnel or outside website developers to build a custom-designed site
C. Share the cost of developing a website by partnering with companies that offer similar products and services
D. Buy an existing website

76. (p. 369) All of the following are examples of customer support except:

A. Online help
B. Links to related sites
C. Shipping and tax calculations
D. Discussion groups and chat rooms

77. (p. 369) All of the following are examples of the web store requirements that must be implemented in order to serve customers as they select an item and pay for it except:

A. E-mail order notifications
B. Shipping and tax calculations
C. Credit card processing
D. Gift wrapping and gift card options

78. (p. 369) According to the text, most business-to-consumer e-commerce ventures take the form of _____ on the World Wide Web.

A. Auction sites
B. Retail business sites
C. Bricks-and-mortar sites
D. None of the above

79. Online user profiles are commonly developed through all of the following methods except: (p. 371)

A. User registration
B. Cookie files
C. User feedback
D. Telephone surveys

80. Wholesale (B2B) electronic commerce relies on different information technologies, most of which can be implemented on all the following, except: (p. 371)

A. The Internet
B. The World Wide Web
C. Corporate intranets or extranets
D. Stand-alone legacy systems

81. The latest e-commerce transaction systems are scaled and customized to allow buyers and sellers to meet in a variety of high-speed trading platforms, such as:
(p. 374)

A. Auctions
B. Catalogs
C. Exchanges
D. All of the choices are correct.

82. A _____ buy-side marketplace attracts many suppliers that flock to the exchange to bid for the business of a major buyer, such as GE or AT&T.
(p. 374)

A. many-to-one
B. some-to-many
C. many-to-some
D. many-to-many

83. A _____ procurement marketplace unites major buyers who combine their purchasing catalogs to attract more suppliers, and thus more competition and lower prices. (p. 374)

A. many-to-one
B. some-to-many
C. many-to-some
D. many-to-many

84. A _____ auction marketplace can be used by many buyers and sellers, who can create a variety of auctions to dynamically optimize prices. (p. 374)

A. many-to-one
B. some-to-many
C. many-to-some
D. many-to-many

85. A _____ sell-side marketplace hosts one major supplier who dictates product catalog offerings and prices. (p. 374)

A. many-to-one
B. one-to-many
C. many-to-some
D. many-to-many

86. A _____ distribution marketplace unites major suppliers who combine their product catalogs to attract a larger audience of buyers. (p. 374)

A. many-to-one
B. some-to-many
C. many-to-some
D. many-to-many

87. E-commerce portals provide all of the following types of marketplaces except: (p. 374-375)

A. Catalog
B. Community
C. Exchange
D. Auction

88. In a B2B e-commerce Web portal configuration, a _____ collects and tracks bids from buyers and sellers. (p. 375)

A. B2B web portal
B. market generator server
C. content manager server
D. post-trade market history server

89. In a B2B e-commerce Web portal configuration, aggregated product data is retrieved from a _____ and loaded into a live market server. (p. 375)

A. B2B web portal
B. market generator server
C. content manager server
D. post-trade market history server

90. Which of the following statements about how using a B2B e-commerce site impacts the purchasing decisions of a business is false?
(p. 375)

A. Purchasing is more cost effective
B. Purchasing is faster
C. Purchasing is more simple
D. Purchasing transactions are easier to trace

91. The organization that controls spectrum is the _____.
(p. 375)

A. FAA
B. FFA
C. CDC
D. FCC

92. (p. 376) When companies have both e-commerce virtual business operations and traditional physical business operations, they must decide whether to integrate the two or keep them separate. Office Depot was cited in the text as a company that:

A. Kept the .com sales channel separate from the traditional business operations
B. Fully integrated the .com sales channel into their traditional business operations
C. Partially integrated the .com sales channel into their traditional business operations
D. Dropped its .com sales channel due to a lack of profitability

93. (p. 377-378) After considering a broad spectrum of alternatives and benefits trade-offs, Barnes and Noble decided to:

A. Spin-off its e-commerce business
B. Engage in a joint venture with another book vendor
C. Move its e-commerce business to an in-house division
D. Integrate its physical and e-commerce businesses

94. Integration of a physical and e-commerce business results in all of the following except:
(p. 377)

A. Brand establishment
B. Greater focus
C. Shared information
D. Purchasing leverage

95. Which of the following companies entered into a joint venture in order to handle the e-commerce side of its business?
(p. 378)

A. Barnes and Noble
B. Rite Aid
C. KB Toys
D. Office Depot

96. All of the following are key questions for developing an e-commerce channel strategy except:
(p. 379)

A. How many employees do we want to assign to the project?
B. What audiences are we trying to reach?
C. Who owns the e-commerce channel within the organization?
D. How well will our brands translate to the new channel?

Fill in the Blank Questions

97. E-commerce _____ can provide auction and exchange marketplaces for businesses as well as for individuals. (p. 374)

portals

98. Many of the key components of an e-commerce process architecture may also be used in internal, _____ e-business applications. (p. 355)

noncommerce

99. E-commerce _____ must be in place to establish mutual trust and secure access between the parties in an e-commerce transaction. (p. 356)

processes

100. The concept of _____ can include intranet access of customer records by sales reps, extranet access of inventory databases by customers and suppliers, and interactive marketing, ordering, and payment processes on the World Wide Web. (p. 356)

e-commerce

101. When a company addresses issues such as authenticating users of their website, authorizing access, and enforcing the security features that protect both consumers and their data, the company is addressing the _____ and security component of the e-commerce process. (p. 356)

access control

102. User profiles are used to provide you with a personalized view of the contents of a site, as well as product recommendations and personalized Web advertising as part of a _____ marketing strategy. (p. 356)

one-to-one

103. Once you access a website, the company may gather data on you and your website behavior, choices, and preferences. Doing so addresses the _____ component of the e-commerce process architecture. (p. 356)

profiling and personalizing

104. _____ management software helps e-commerce companies develop, generate, deliver, update, and archive data and multimedia information at e-commerce websites.
(p. 356)

Content

105. Searching for a product by its description, such as "girls red gym shorts," is an example of a _____ search.
(p. 356)

content

106. Searching for a product by a range, such as "hiking boots, sizes 10-14" is an example of a _____ search.
(p. 356)

parameter-based

107. E-commerce content frequently takes the form of multimedia catalogs containing _____.
(p. 356)

product information

108. Content and catalog management may be expanded to include product
(p. 357) _____ processes that support a customer's ability to customize a product, such as a computer system, to meet the exact set of features needed.

configuration or customization

109. E-business _____ systems ensure that the proper transactions, decisions,
(p. 358) and work activities are performed, and that the correct data and documents are routed to the right employees, customers, suppliers, and other business stakeholders.

workflow

110. _____ software works with workflow management software to monitor all e-
(p. 359) commerce processes and record all relevant events, including unexpected changes or problem situations.

Event notification

111. _____ notification processes play an important role in e-commerce systems,
(p. 359) because customers, suppliers, employees, and other stakeholders must be notified of all events that might affect their status in a transaction.

Event

112. Customer-focused e-businesses use tools such as e-mail, chat systems, and discussion groups to nurture online communities of _____ among employees and customers. (p. 359)

interest

113. _____ systems are a major form of electronic commerce systems in banking and retailing industries that use a variety of information technologies to capture and process money and credit transfers between banks and businesses and their customers. (p. 360)

Electronic funds transfer (EFT)

114. VISA, MasterCard, IBM, Microsoft, Netscape, and most other industry players have agreed to the _____ standard for electronic payment security. (p. 361)

Secure Electronic Transaction (SET)

115. In certain cases, it is possible to convert a physical good, such as a CD, software, or a newspaper, into a _____ good that can be downloaded upon purchase. (p. 365)

virtual

116. _____ marketing and relationship building power is a major advantage of personalized Web retailing. (p. 367)

One-to-one

117. Most _____ e-commerce ventures take the form of retail business sites on the World Wide Web. (p. 369)

business-to-consumer

118. Many websites encourage visitors to register so _____ files can be used to automatically identify returning visitors. (p. 371)

Web cookie

119. _____ are companies that serve as intermediaries in e-business and e-commerce transactions. (p. 375)

Infomediaries

120. Companies are recognizing that success will go to those who can execute clicks-and-
(p. 376) _____ strategies that bridge the physical and virtual worlds.

mortar or bricks

121.
(p. 379)

An _____ channel is the marketing or sales channel created by a company to conduct and manage its chosen e-commerce activities.

e-commerce

Chapter 10 Supporting Decision Making Answer Key

True / False Questions

1. (p. 390) Even information that is outdated, inaccurate, or hard to understand has meaning, usefulness, and value.

FALSE

Information that is outdated, inaccurate, or hard to understand is not very meaningful, useful, or valuable to anyone.

2. (p. 414-415) A new Web-based management tool known as a windshield displays critical information in an easy-to-read graphic format.

FALSE

This Web-based management tool is known as a dashboard.

3. Most business decision situations are either structured or unstructured.

(p. 394)

FALSE

Most business decision situations are semi-structured.

4. Decision makers at the strategic management level often look to management information systems to provide them with summarized, ad hoc, and unscheduled reports, forecasts, and external intelligence to support their more unstructured planning and policymaking responsibilities.

(p. 394)

FALSE

In these situations, decision makers often look to decision support systems.

5. (p. 394) Decision makers at the operational management level often look to decision support systems to provide them with summarized, ad hoc, and unscheduled reports, forecasts, and external intelligence to support their more unstructured planning and policymaking responsibilities.

FALSE

In these situations, decision makers often look to management information systems.

6. (p. 395) Management information systems provide ad hoc, flexible, and adaptable reports.

FALSE

Ad hoc, flexible, and adaptable reports are provided by decision support systems.

7. (p. 394-395) New information technologies and networked PC versions of DSS software have made decision support available to lower levels of management, non-managerial individuals, and self-directed teams.

TRUE

8. DSS systems are designed to be ad hoc, quick-response systems that are (p. 398) initiated and controlled by business decision makers.

TRUE

9. DSS software typically contains built-in analytical modeling routines and also (p. 398) enables you to build your own models.

TRUE

10. Electronic spreadsheet packages provide some of the same model building (p. 398) offered by more powerful DSS software.

TRUE

11. Decision support systems were the original type of information system (p. 400) developed to support managerial decision making.

FALSE

Management information systems were the original type of information system developed to support managerial decision making.

12. Operational databases are maintained by transaction processing systems.
(p. 400)

TRUE

13. Push reporting reduces information overload, instead of overwhelming decision
(p. 400) makers with periodic, detailed reports of business activity.

FALSE

Exception reporting reduces information overload.

14. The concept of a geographic information system and data visualization dates
(p. 405) back to the 1800s.

TRUE

15. When using DSS software, managers usually request pre-specified information (p. 407) from the application.

FALSE

Decision makers do not demand pre-specified information from DSS software because they are generally looking for the information they need to help them make a decision.

16. The main purpose of data mining is to provide decision support to managers (p. 410) and business professionals through a process referred to as information mining.

FALSE

This process is known as knowledge discovery.

17. If customers who purchase item A are already likely to purchase item B, then (p. 411) they'll be even more likely to buy item B if it is in a display just outside the aisle that holds item A.

TRUE

18. According to the textbook case, companies are moving away from IT-centric (p. 422) business intelligence and toward results-focused performance management.

TRUE

19. Executive information systems are becoming so widely used by non-executives (p. 412) that they are sometimes humorously called "easy information systems."

FALSE

Executive information systems are sometimes humorously called everyone's information systems.

20. In an executive information system, information is presented in forms tailored to (p. 412) the job requirements of the executives using the system.

FALSE

In an EIS, information is presented in forms tailored to the preferences of the executives using the system.

21. Portals are designed for use by executives, not the average employee.
(p. 414)

FALSE

Portals are for everyone in the company, not just for executives.

22. Enterprise information portals are typically tailored or personalized to the needs
(p. 414) of individual business users or groups of users.

TRUE

23. Enterprise information portals can help avoid excessive surfing by employees
(p. 414-415) across company and Internet websites by making it easier for them to receive or find the information and services they need.

TRUE

24. The enterprise information portal is a customized, personalized, Web-based interface for corporate extranets. (p. 414)

FALSE

The enterprise information portal is a customized and personalized Web-based interface for corporate intranets.

25. Companies should have clear criteria for determining when cases cannot be addressed through automation and who should deal with the exceptions. (p. 429-430)

TRUE

26. Adaptive learning systems can only modify their behaviors based on the information with which they are programmed. (p. 421)

FALSE

Adaptive learning systems can modify their behaviors based on information they acquire as they operate.

27. An expert system applies reasoning to answer questions, but cannot explain the reasoning process to the user who asked the question. (p. 424)

FALSE

An expert system explains its reasoning process when asked.

28. Expert systems fail miserably in solving problems requiring a broad knowledge base. (p. 426)

TRUE

29. Expert systems learn from experience as they process information requests. (p. 426-427)

FALSE

Expert systems can't learn from experience; they must be taught new knowledge and modified as new expertise is needed to match developments in their subject areas.

30. Knowledge engineers perform a role similar to that of systems analysts in conventional information systems development. (p. 429)

TRUE

31. A neural network can be trained to learn which credit characteristics result in good or bad loans. (p. 430)

TRUE

32. The Japanese ride on subway trains, use elevators, and drive cars that are guided or supported by fuzzy process controllers. (p. 432)

TRUE

33. Genetic algorithm software is being used to model a variety of scientific, technical, and business processes. (p. 432)

TRUE

Multiple Choice Questions

34. The type of information required by decision makers in a company is directly related to the level of management decision making and the amount of _____ in the decision situations they face.
(p. 390)

A. financial risk
B.
C. variable information
D. urgency

35. Which of the following statements most accurately describes the operational level of management?
(p. 390)

A. Composed of a board of directors and an executive committee of the CEO and top executives who develop overall organizational goals, strategies, policies, and objectives as part of a strategic planning process
B. Composed of self-directed teams and middle managers, who develop short- and medium-range plans, schedules, and budgets
C.
D. None of the choices are correct.

36. Decisions made at the tactical management level tend to be more:

(p. 393)

A. Structured

B.

C. Unstructured

D. Self-structured

37. Decisions made at the strategic management level tend to be more:

(p. 393)

A. Structured

B. Semi-structured

C.

D. All the choices are correct.

38. Deciding what product lines to develop over the next five years is an example of a(n) _____ decision.

(p. 394)

A. structured

B. semi-structured

C.

D. open-ended

39. Which of the following statements is a characteristic of the content dimension of information? (p. 393)

A. Information is provided when it is needed.

B. [redacted]

C. Information is provided in an easy-to-understand form.

D. Information is presented in a narrative, numeric, or graphic form.

40. Which of the following statements is a characteristic of the form dimension of information? (p. 393)

A. Information is based on past, present, or future time periods.

B. [redacted]

C. All the information needed is provided.

D. The information can have a broad or narrow scope, or an internal or external focus.

41. _____ is an example of an unstructured, operational management decision.
(p. 394)

A.

B. Program control

C. Product planning

D. Capital budgeting

42. _____ is an example of a structured, tactical management decision.
(p. 394)

A.

B. Employee performance appraisal

C. Credit management

D. Company reorganization

43. Business intelligence applications are based on all of the following except:
(p. 396)

A. Personalized and Web-enabled information analysis

B. Knowledge management

C.

D. Decision support technologies

44. Decision support systems use _____ to support the making of semi-structured business decisions. (p. 397)

A. analytical models

B. specialized databases

C. a decision maker's own insights and judgments

D.

45. Dell, Wal-Mart, and Amazon are a few of the companies using _____ DSS models to stimulate and optimize supply chain flow and reduce inventory levels. (p. 399)

A. pricing

B. product and service quality

C. financial performance

D.

46. Harrah's, Capital One, and Barclays are a few of the companies using _____ DSS models to identify customers who produce the greatest profit.
(p. 399)

A. loyalty and service
B. product and service quality
C.
D. financial performance

47. The information products from an MIS take all the following forms except:
(p. 400-401)

A. scheduled reports.
B. exception reports.
C. push reports.
D.

48. A weekly sales report is a typical example of a(n) _____ report.
(p. 400)

A.
B. exception
C. demand
D. action

49. A major freight company has several thousand drivers. A report containing information about only those company drivers who have not taken a mandatory defensive driving course is an example of a(n) _____ report.
(p. 400)

A. periodic scheduled
B. [redacted]
C. demand
D. action

50. With _____, information is available whenever a manager demands it.
(p. 400)

A. push reporting
B. exception reports
C. periodic scheduled reports
D. [redacted]

51. Online analytical processes involve all of the following analytical operations except: (p. 401-402)

A. Consolidation

B.

C. Drill-down

D. Slicing and dicing

52. With _____, data about sales offices can be rolled up to the district level, and district-level data can be rolled up to provide a regional-level perspective. (p. 401)

A.

B. drill-down

C. filtration

D. slicing and dicing

53. Many companies are using GIS technology along with global positioning system devices to do all of the following except: (p. 405)

A.

B. Choose new retail store locations

C. Optimize distribution routes

D. Analyze the demographics of their target audiences

54. Using a decision support system involves all of the following types of analytical modeling activities except _____ analysis. (p. 407)

A. sensitivity

B.

C. what-if

D. goal-seeking

55. Which one of the following should be used to answer the question, "What would happen to sales if we cut advertising by 25 percent?" (p. 407-708)

A. Goal-seeking

B. Optimization

C. Sensitivity

D.

56. What type of analysis should be used to respond to the statement, "Let's cut advertising by $1000 repeatedly so we can see its relationship to sales"? (p. 408-409)

A. Goal-seeking

B. Optimization

C.

D. What-if

57. _____ analysis involves making repeated changes to selected variables (p. 409) until a chosen variable reaches a target value.

A. What-if
B. Sensitivity
C.
D. Optimization

58. _____ analysis is a more complex form of goal-seeking where the goal is (p. 409) to find the best value for a target variable given certain constraints.

A. What-if
B. Sensitivity
C. Market basket
D.

59. Which of the following is one of the most common and useful types of data mining for marketing? (p. 411)

A. Goal seeking analysis
B.
C. Optimization analysis
D. Sensitivity analysis

60. The purpose of _____ is to determine what products customers purchase together with other products. (p. 411)

A. a regression decision tree
B. neural networks
C. cluster detection
D.

61. By targeting customers who are already known to be likely buyers, the effectiveness of a given marketing effort is significantly increased—if the marketing takes the form of _____. (p. 411)

A. in-store displays
B. catalogs
C. a direct offer
D. [redacted]

62. According to the textbook case, Warner Home Video is using _____ to forecast the number of video disks going to retail stores. (p. 412)

A. online order entry statistics
B. mail order catalog data
C. [redacted]
D. none of the choices are correct.

A.

B. Rapid developments in end user computing and networking

C. Internet and Web technologies

D. Web-enabled business applications

64. A(n) _____ is a Web-based interface and integration of MIS, DSS, EIS, and other technologies that gives all intranet users and selected extranet users access to a variety of internal and external business applications and services.

(p. 414)

A. enterprise Resource System

B. al

C. executive Information System

D. collaborative Information System

65. Internal enterprise information portal applications typically include access to all of the following except: (p. 414)

A. E-mail and project websites
B. Human resources Web self-services
C.
D. Corporate databases

66. According to the text, an enterprise knowledge portal has all of the following except: (p. 416)

A. Personalized views of news and data
B.
C. Collaboration tools
D. Community work areas

67. Which of the following is an example of an unstructured data source? (p. 416)

A. ERP database
B. CRM database
C. Other databases
D.

A. Computer science

B. Biology and psychology

C. Linguistics and mathematics

D.

69. Who was the British AI pioneer responsible for proposing a test for determining if machines could think? (p. 418)

A.

B. John McCarthy

C. Allen Nevell

D. Herbert Simon

70. AI applications can be grouped under all of the following areas except: (p. 421-423)

A. Cognitive science

B. Robotics

C. Natural interfaces

D.

A. Reasoning and learning

B.

C. Problem solving

D. Responding quickly and successfully to new situations

72. All of the following would be considered an AI application in the cognitive science group except: (p. 422)

A. Expert systems

B. Neural networks

C.

D. Learning systems

A. Visual perception

B.

C. Locomotion

D. Navigation

74. (p. 422) All of the following would be considered an AI application in the natural interface group except:

A.

B. Speech recognition

C. Multisensory interfaces

D. Virtual reality

A.

B. Frame-based knowledge

C. Object-based knowledge

D. Rule-based knowledge

76. (p. 424) Which of the following represents knowledge in the form of a hierarchy or network of collections consisting of a complex package of data values describing its attributes?

A. Case-based reasoning

B.

C. Object-based knowledge

D. Rule-based knowledge

(p. 424) elements including both the data and the methods/processes that act on those data?

A. Case-based reasoning
B. Frame-based knowledge
C. [redacted]
D. Rule-based knowledge

78. Which of the following represents knowledge in the form of statements of fact,
(p. 424) typically in the form of premise and conclusion?

A. Case-based reasoning
B. Frame-based knowledge
C. Object-based knowledge
D. [redacted]

79. Which of the following artificial intelligence applications can learn by processing sample problems and their solutions? (p. 422)

A. Knowledge-based systems

B. [redacted]

C. Expert systems

D. Fuzzy logic systems

80. Which of the following is an example of a robotics application of AI? (p. 422)

A. Intelligent work environment that helps capture the why and the what of engineered design and decision making

B. [redacted]

C. Automated animation interfaces that allow users to interact with virtual objects via touch

D. Situation assessment and resource allocation software for uses that range from airlines and airports to logistics centers

81. Within an expert system, the _____ contains facts about a specific subject area and rules that express the reasoning procedures of an expert on the subject. (p. 425)

A. inference engine
B. knowledge engineer
C.
D. None of the choices are correct.

82. According to the text, all of the following are considered benefits of an expert system except: (p. 426)

A.
B. It can outperform a single human expert in many situations
C. An expert system is faster and more consistent than human experts
D. It does not get tired or distracted

83. According to the text, all of the following are major limitations of an expert system except: (p. 426)

A. It has a limited focus

B.

C. It is unable to learn

D. It is costly to develop

84. An equipment calibration expert system is an example of an expert system in the application category of: (p. 427)

A. Decision management

B. Selection/classification

C. Process monitoring/control

D.

A. Decision management

B. Selection/classification

C.

D. Diagnostic/troubleshooting

86. An employee performance evaluation expert system is an example of an expert system in the application category of: (p. 427)

A.

B. Selection/classification

C. Process monitoring/control

D. Diagnostic/troubleshooting

A. Decision management

B. Diagnostic/troubleshooting

C. Design/configuration

D.

88. A communications network expert system is an example of an expert system in the application category of: (p. 427)

A. Decision management

B.

C. Process monitoring/control

D. Diagnostic/troubleshooting

A. Chemical testing

B.

C. Inventory control

D. Production monitoring

90. All of the following are suitability criteria for expert systems except:

(p. 429)

A.

B. Domain

C. Expertise

D. Structure

91. Which of the following would be considered a fuzzy logic term?

(p. 431)

A. Above ten

B.

C. Over ten

D. Between one and five

92. Genetic algorithms were first used to simulate millions of years in
(p. 432) _____ evolution in just a few minutes on a computer.

A. biological
B. geological
C. ecosystem
D.

93. Multisensory input/output devices, such as data gloves or jumpsuits, are
(p. 434) commonly used with _____ systems.

A. knowledge-based
B. neural network
C.
D. fuzzy logic

94. _____ is commonly used by pharmaceutical and biotechnology firms to develop and observe the behavior of computerized models of new drugs and materials.
(p. 434)

A. Fuzzy logic
B.
C. A neural network
D. An expert system

95. An intelligent agent is:
(p. 436)

A.
B. Database software used to analyze current sales trends
C. A marketing software system used to do statistical analysis
D. A software package used by robots

96. The use of intelligent agents is growing rapidly as a way to do all of the following except: (p. 437)

A. Simplify software use

B. Search websites on the Internet and on corporate intranets

C.

D. Facilitate comparison shopping among the many e-commerce sites on the Web

Fill in the Blank Questions

97. As companies migrate toward responsive e-business models, they are investing in new _____-driven decision support application frameworks that help them respond rapidly to changing market conditions and customer needs. (p. 390)

data

98. Typically, a board of directors and an executive committee of the CEO and top executives develop overall organizational goals, strategies, policies, and objectives as part of a _____ planning process. (p. 390)

strategic

99. Information has three dimensions: time, content, and _____. (p. 390)

form

100. _____ decisions involve situations where it is not possible to specify in advance most of the decision procedures to follow. (p. 394)

Unstructured

101. Unlike management information systems, decision support systems rely on _____bases, as well as databases as vital system resources. (p. 398)

model

102. Many companies are using webcasting to selectively broadcast reports and other information to the networked PCs of managers and specialists over corporate internets. This is an example of _____ reporting.
(p. 400-401)

push

103. Online _____ processing enables managers and analysts to interactively examine and manipulate large amounts of detailed and consolidated data from many perspectives.
(p. 401)

analytical

104. In _____ analysis, a user makes changes to variables, or relationships among variables, and observes the resulting changes in the values of other variables.
(p. 407)

what-if

105. Typically, _____ analysis is used when decision makers are uncertain about the assumptions made in estimating the value of certain key variables.
(p. 409)

sensitivity

106. _____ analysis reverses the direction of the analysis done in what-if and
(p. 409) sensitivity analyses.

Goal-seeking

107. The first goal of executive information systems was to provide top executives
(p. 412) with immediate and easy access to information about a firm's critical success factors (CSFs), that is, key factors that are critical to accomplishing an organization's _____ objectives.

strategic

108. The ability to _____ in an EIS allows executives to quickly retrieve
(p. 413) displays of related information at lower levels of detail.

drill-down

109. For many companies, enterprise information portals are the entry to corporate
(p. 416) intranets that serve as their knowledge management systems. That's why such portals are called _____ portals by their vendors.

enterprise knowledge

110. According to the _____ test, a computer could demonstrate
(p. 418) intelligence if a human interviewer, conversing with an unseen human and an unseen computer, could not tell which was which.

Turing

111. The development of natural languages and _____ are major thrusts
(p. 423) in the natural interface area of AI applications.

speech recognition

112. _____ represents knowledge in the form of past performance,
(p. 424) occurrences, and experiences.

Case-based reasoning

113. _____ represents knowledge in the form of a hierarchy or network of
(p. 424) collections consisting of a complex package of data values describing its attributes.

Frame-based knowledge

114. _____ represents knowledge in the form of a network of data
(p. 424) elements including both the data and the methods/processes that act on those data.

Object-based knowledge

115. _____ represents knowledge in the form of statements of fact,
(p. 424) typically in the form of premise and conclusion.

Rule-based knowledge

116. Data that are incomplete or ambiguous are often referred to as _____
(p. 431) data.

fuzzy

117. _____ involves using multisensory human-computer interfaces that
(p. 434) enable human users to experience computer-simulated objects, spaces, activities, and "worlds" as if they actually exist.

Virtual reality

118. Expert systems can provide decision support to end users in the form of advice (p. 424) from an _____ in a specific problem area.

expert or expert consultant

119. Hundreds of rules may be required to capture the assumptions, _____, (p. 428) and reasoning that are involved in even simple problem situations.

facts

120. The easiest way to develop an expert system is to use an expert (p. 428) _____ as a developmental tool

system shell

121. Neural networks are computing systems modeled after the brain's meshlike (p. 430) network of interconnected processing elements, called _____.

neurons

122. Virtual reality becomes _____ when users, who can be anywhere in (p. 434) the world, use VR systems to work alone or together at a remote site.

telepresence

123. Intelligent agents, also called _____, are special-purpose, (p. 436) knowledge-based information systems that accomplish specific tasks for users.

software robots or bots

Chapter 11 Business/IT Strategies for Development Answer Key

True / False Questions

1. Team planning sessions frequently include answering strategic advantage questions.
(p. 448)

FALSE

Team planning sessions frequently include answering strategic visioning questions.

2. In a planning context, a virtual world is a microcosm of the real world.
(p. 451)

TRUE

3. Creating a role-playing exercise to be used in supervisory training is not the same as creating a microworld.
(p. 451)

FALSE

When personnel staff create a role-playing exercise to be used in a supervisory training, they are creating a microworld.

4. According to the text case, there are two basic types of IT risks.

(p. 452)

FALSE

There are four basic types of IT risks.

5. A weakness is the potential for business and market losses posed by the actions of competitors and other competitive forces.

(p. 453)

FALSE

A weakness is an area of substandard business performance compared to others in the industry or market segments.

6. A threat is the potential for business and market losses posed by the actions of competitors and other competitive forces.

(p. 453)

TRUE

7. An opportunity is the potential for new business markets or innovative breakthroughs that might expand present markets.

(p. 453)

TRUE

8. (p. 453) A strength is the potential for new business markets or innovative breakthroughs that might expand present markets.

FALSE

Strengths are core competencies and resources where a firm is a market or industry leader.

9. (p. 455) A good business model is essential for a new venture, but is seldom necessary for established businesses.

FALSE

A good business model remains essential to every successful organization, whether it's a new or an established business.

10. (p. 457) The business/IT planning process focuses on discovering innovative approaches to satisfying a company's customer value and business value goals.

TRUE

11. (p. 457) Either the CEO or the CIO of a company must manage the development of complementary business and IT strategies in order meet its customer value and business value vision.

FALSE

Both the CEO and the CIO of a company must manage the development of complementary business and IT strategies.

12. (p. 457-458) The technology architecture component of the business/IT planning process involves developing business strategies that support a company's business vision, such as using information technology to create innovative e-business systems that focus on customer and business value.

FALSE

The strategic development component of the business/IT planning process involves using information technology to create innovative e-business systems that focus on customer and business value.

13. (p. 457-458) The strategic development component of the business/IT planning process involves developing business strategies that support a company's business vision, such as using information technology to create innovative e-business systems that focus on customer and business value.

TRUE

14. (p. 457-458) The resource management component of the business/IT planning process involves developing business strategies that support a company's business vision, such as using information technology to create innovative e-business systems that focus on customer and business value.

FALSE

The strategic development component of the business/IT planning process involves using information technology to create innovative e-business systems that focus on customer and business value.

15. A technology platform should include support for developing and maintaining inter-enterprise supply chain applications, integrated enterprise resource planning, and customer relationship management applications.
(p. 458)

FALSE

An applications architecture should include support for these applications, and others.

16. An applications architecture should include support for developing and maintaining inter-enterprise supply chain applications, integrated enterprise resource planning, and customer relationship management applications.
(p. 458)

TRUE

17. An IT organization should include support for developing and maintaining inter-enterprise supply chain applications, integrated enterprise resource planning, and customer relationship management applications.
(p. 458)

FALSE

An applications architecture should include support for these applications, and others.

18. It is common for the current market value of an organization to exceed the market value of its assets.
(p. 459)

TRUE

19. (p. 461-462) The business case for investing in proposed e-business development projects is evaluated by company executives and business unit managers based on the strategic business priorities that they decide are most desirable or necessary at that point in time.

TRUE

20. (p. 493) According to the text case, most CIOs find that putting together a strategic IT plan is a very simplistic process as it is based on the firm's overall strategic plan.

FALSE

21. (p. 463) The business/IT planning process is rapidly losing favor with today's modern businesses.

FALSE

The business/IT planning process is growing in acceptance and use.

22. (p. 463) E-business architecture planning links strategy development to business modeling and component development methodologies in order to produce the strategic e-business applications needed by a company.

TRUE

23. (p. 464) Because senior management at many companies consistently identify e-business as an area of great opportunity, and one in which the company needs stronger capabilities, planning works really well, as does converting such strategy into action.

FALSE

Many companies plan really well, yet few translate strategy into action.

24. (p. 464) Moving to an e-business environment involves a lot of procedural changes, but no major organizational change.

FALSE

Moving to an e-business environment involves major organizational change.

25. (p. 464) Implementing new e-business strategies and applications is only the latest catalyst for major organizational changes; many large, global companies have undergone multiple major organizational changes since the 1980s.

TRUE

26. (p. 464) Any new way of doing things will generate some resistance from the people affected.

TRUE

27. One of the keys to solving the problem of end user resistance to new information technologies is keeping them isolated from the process until the technology is ready to go live.
(p. 468)

FALSE

One of the keys to solving the problem of end user resistance to new information technologies is getting them involved in organizational changes and in the development of the new information system.

28. Systems that tend to inconvenience or frustrate users cannot be effective, no matter how technically elegant they are or how efficiently they process data.
(p. 468)

TRUE

29. Cost is the smallest obstacle to implementation of a knowledge management application.
(p. 468)

FALSE

The smallest obstacle to implementation of a knowledge management application is lack of need.

30. People factors have the highest level of difficulty and take the longest time to resolve of any dimension of change management.
(p. 470)

TRUE

31. (p. 471) Many change management models include methods for performance measurement and financial incentives to get employees and stakeholders to cooperate with the changes that may be required.

TRUE

32. (p. 472) According to the text, creating leadership resolve is part of the build commitment process of change management.

FALSE

Creating leadership resolve is part of the develop leadership process in change management.

33. (p. 495) According to the text case, senior managers finally realized that IT personnel often have a more comprehensive view of the organization than many functional or divisional heads who are largely concerned with their own areas.

TRUE

Multiple Choice Questions

34. _____ planning involves the setting of objectives and the development of procedures, rules, schedules, and budgets. (p. 448)

A. Strategic
B. Operational
C. Tactical
D. All of the choices are correct.

35. _____ planning is done on a short-term basis to implement and control day-to-day operations. (p. 448)

A. Strategic
B. Operational
C. Tactical
D. Scenario

36. All of the following are examples of questions that would be asked when establishing an "understanding the customer" strategic vision except: (p. 451)

A. Who are our customers?
B. How can we add value for the customer with e-business services?
C. How are our customers' priorities shifting?
D. Who should be our target customers?

37. (p. 451) Which of the following is an example of questions that would be asked when establishing a "customer value" strategic vision?

A. Who are our customers?

B. How can we add value for the customer with e-business services?

C. How are our customers' priorities shifting?

D. Who should be our target customers?

38. (p. 451) All of the following are examples of questions that would be asked when establishing a "competition" strategic vision except:

A. Who are our real competitors?

B. How are our competitor's priorities shifting?

C. What is our toughest competitor's business model?

D. Are our competitors potential partners, supplies, or customers in an e-business venture?

39. (p. 451) Which of the following is a question that would be asked when establishing a "value chain" strategic vision?

A. Who are our customers?

B. How can we add value for the customer with e-business services?

C. Are our competitors potential partners, supplies, or customers in an e-business venture?

D. Who would be our supply chain partners?

40. A demand for better and more convenient solutions is a _____ trend that is shaping strategic business/IT planning. (p. 452)

A. technology
B. competitive imperatives
C. deregulation
D. customer sophistication/expectations

41. A situation where previously regulated markets are opening is a _____ trend that is shaping strategic business/IT planning. (p. 452)

A. technology
B. competitive imperatives
C. deregulation
D. customer sophistication/expectations

42. Outsourcing, growth, and customer orientation are _____ trends that are shaping strategic business/IT planning. (p. 452)

A. technology
B. competitive imperatives
C. deregulation
D. customer sophistication/expectations

43. Technology convergence, increasing information content, and e-commerce are _____ trends that are shaping strategic business/IT planning.
(p. 452)

A. technology
B. competitive imperatives
C. deregulation
D. customer sophistication/expectations

44. All of the following are considered competitive forces except:
(p. 453)

A. Cost leadership
B. Competitors
C. Customers
D. New entrants

45. All of the following are considered competitive strategies except:
(p. 453)

A. Differentiation
B. Innovation
C. New entrants
D. Alliances

46. _____ are areas of substandard business performance compared to others in the industry or market segments. (p. 453)

A. Weaknesses
B. Opportunities
C. Threats
D. Strengths

47. _____ are the potential for new business markets or innovative breakthroughs that might expand present markets. (p. 453)

A. Weaknesses
B. Opportunities
C. Threats
D. Strengths

48. _____ are the potential for business and market losses posed by competitors, competitive forces, government, or disruptive technologies. (p. 453)

A. Weaknesses
B. Opportunities
C. Threats
D. Strengths

49. _____ are core competencies and resources where a firm is a market or industry leader.

(p. 453)

A. Weaknesses

B. Opportunities

C. Threats

D. Strengths

50. Offering customers something distinctive or at a lower cost than competitors is a component of the _____ business model.

(p. 456)

A. revenue source

B. pricing

C. sustainability

D. customer value

51. Which of the following questions best represents the sustainability component of a business model?

(p. 456)

A. What is it about the firm that makes it difficult for other firms to imitate it?

B. What are the firm's capabilities and capabilities gaps that need to be filled?

C. Where do the dollars come from?

D. To which customers is the firm offering this value?

52. The question "How many new activities must be performed as a result of the Internet?" best represents the _____ component of e-business models. (p. 456)

A. scope
B. connected activities
C. implementation
D. sustainability

53. According to the text case, which of the following is not an IT risk? (p. 452)

A. Program Risk
B. Market Risk
C. Business Operations Risk
D. Technology Risk

54. The _____ component of the business/IT planning process involves making strategic IT choices that reflect an information technology architecture designed to support a company's e-business and other business/IT initiatives. (p. 457-458)

A. resource management
B. technology architecture
C. strategic development
D. All of the choices are correct.

55. The _____ component of the business/IT planning process involves developing strategic plans for managing or outsourcing a company's IT resources. (p. 457-458)

A. resource management
B. technology architecture
C. strategic development
D. All of the choices are correct.

56. The _____ component of the business/IT planning process involves developing business strategies that support a company's business vision, using IT to create innovative e-business systems focusing on customer and business value. (p. 457-458)

A. resource management
B. technology architecture
C. strategic development
D. All of the choices are correct.

57. The _____ component of the information technology architecture includes the networks, computer systems, system software, and integrated enterprise application software that provide the computing and communications platform supporting the strategic use of information technology. (p. 458)

A. IT organization
B. data resources
C. technology platform
D. applications architecture

58. The _____ component of the information technology architecture includes the many operational and specialized databases that store and provide data and information for business process and decision support.
(p. 458)

A. IT organization
B. data resources
C. technology platform
D. applications architecture

59. The _____ component of the information technology architecture includes business applications designed as an integrated architecture of enterprise systems that support strategic business initiatives.
(p. 458)

A. IT organization
B. data resources
C. technology platform
D. applications architecture

60. The _____ component of the information technology architecture includes the organizational structure of the IS function within a company and the distribution of IS specialists, designed to meet the changing strategies of a business.
(p. 458)

A. IT organization
B. data resources
C. technology platform
D. applications architecture

61. Having a _____ perspective means measuring financial performance, such as number of debtors, cash flow, or return on investment.
(p. 459)

A. learning and growth
B. customer
C. financial
D. business process

62. Having a _____ perspective means reflecting on the performance of key business processes.
(p. 459)

A. learning and growth
B. customer
C. financial
D. business process

63. Having a _____ perspective means measuring the company's learning curve, such as the time spent on staff training.
(p. 459)

A. learning and growth
B. customer
C. financial
D. business process

64. A company that measures the time it takes to process a phone call, tabulates the results of customer surveys, and tracks the number of user complains has a _____ perspective.
(p. 459)

A. learning and growth
B. customer
C. financial
D. business process

65. The most valuable Internet applications allow companies to transcend communication barriers and establish connections that will do all of the following except:
(p. 459)

A. Enhance productivity
B. Stimulate innovative development
C. Improve customer relations
D. Increase the quality of job applicants

66. E-mail, chat systems, discussion groups, and a company website are typical examples of the _____ quadrant of a strategic positioning matrix.
(p. 460)

A. global market penetration
B. product and service transformation
C. cost and efficiency improvements
D. performance improvement in business effectiveness

67. A company that enters the _____ quadrant of a strategic positioning matrix must capitalize on a high degree of customer and competitor connectivity and use of IT.
(p. 461)

A. global market penetration
B. product and service transformation
C. cost and efficiency improvements
D. performance improvement in business effectiveness

68. A company that enters the _____ quadrant of a strategic positioning matrix has a high degree of internal connectivity and pressures to improve its business processes.
(p. 461)

A. global market penetration
B. product and service transformation
C. cost and efficiency improvements
D. performance improvement in business effectiveness

69. A company that enters the _____ quadrant of a strategic positioning matrix is extensively networked with its customers, suppliers, and competition through Web sites, intranets, and extranets.
(p. 461)

A. global market penetration
B. product and service transformation
C. cost and efficiency improvements
D. performance improvement in business effectiveness

70. The _____ model supplements, rather than replaces, physical distribution and marketing channels. Examples are Cisco and Dell.
(p. 461)

A. market creator
B. channel reconfiguration
C. channel mastery
D. All of the choices are correct.

71. The _____ model requires you to be among the first to market and to remain ahead of competition by continuously innovating. Examples are Amazon.com and E*TRADE.
(p. 461)

A. self-service innovator
B. supply chain innovator
C. channel mastery
D. market creator

72. The _____ model supplants, rather than replaces, existing physical business offices and call centers by using the Internet as a sales and service channel.
(p. 461)

A. self-service innovator
B. supply chain innovator
C. channel mastery
D. market creator

73. The _____ model uses the Internet to streamline the interactions among all parties in the supply chain to improve operating efficiency. (p. 461)

A. self-service innovator
B. supply chain innovator
C. channel mastery
D. market creator

74. The _____ model uses the Internet to provide a comprehensive suite of services that the customer's employees can use directly. (p. 461)

A. self-service innovator
B. supply chain innovator
C. channel mastery
D. market creator

75. The _____ model uses the Internet to reduce search costs and offers the customer a unified process for collecting information necessary to make a large purchase. (p. 461)

A. infomediary
B. supply chain innovator
C. channel mastery
D. market creator

76. The _____ model uses the Internet to process purchases, including the process of searching, comparing, selecting, and paying online.
(p. 461)

A. infomediary
B. supply chain innovator
C. channel mastery
D. transaction intermediary

77. A business application planning process includes consideration of IT proposals for all of the following except:
(p. 462)

A. Addressing strategic business priorities
B. Building business cases
C. Planning for application development
D. Planning for application implementation

78. New business processes are stored in a _____ of reusable business models and application components.
(p. 463)

A. repository
B. bank
C. database
D. All of the choices are correct.

79. Implementing new business/IT strategies requires managing the effects of major changes in _____.
(p. 464)

A. business processes
B. managerial roles
C. employee work assignments
D. All of the choices are correct.

80. Which of the following is not considered one of the top ten enterprise resource planning challenges?
(p. 467)

A. Organizing the data
B. Getting end user buy-in
C. Dealing with multiple/international sites and partners
D. Moving to a new platform

81. Which of the following is the biggest obstacle to knowledge management systems?
(p. 468)

A. Cost
B. Immature technology
C. User resistance to sharing knowledge
D. Immaturity of knowledge management industry

82. According to the text case, the original Iridium organization failed because:

(p. 456-457)

A. the company couldn't afford to keep the system updated.

B. Iridium focused on the wrong business.

C. the system was not operational before the company went through a merger.

D. satellite phones do not work indoors.

83. According to the textbook case, all of the following were causes for the failure of the Iridium project except:

(p. 456-457)

A. the service was too expensive.

B. the phone only worked outdoors.

C. the original phone was too bulky.

D. the phones were never properly tested.

84. Which of the following is part of the technology dimension of change management?

(p. 470)

A. Ownership

B. Recruitment

C. Enterprise architecture

D. Change control

85. (p. 470) Implementing a new e-business application, such as customer relationship management might involve:

A. Developing a change action plan
B. Assigning selected managers as change sponsors
C. Developing employee change teams
D. All of the choices are correct.

86. (p. 470) Change experts recommend all of the following tactics to reduce the risks and cost and to maximize the benefits of change except:

A. Change the company culture before the project is implemented, not after
B. Involve as many people as possible in e-business planning and application development
C. Keep constant change an expected part of the culture
D. Make liberal use of financial incentives and recognition

87. (p. 472) All of the following are examples of the actions that would normally be taken while defining a change strategy except:

A. Assess readiness for change
B. Select the best change configuration
C. Establish change governance
D. Promote leadership resolve

88. (p. 472) Which of the following is an action that would normally be taken while trying to build commitment to an impending change?

A. Develop leadership capability

B. Transfer knowledge and skills

C. Create a compelling change story

D. Implement culture change

89. (p. 472) All of the following are actions that would be taken while attempting to develop a culture of change except:

A. Understand the current culture

B. Design the target organization

C. Implement cultural change

D. Merging new employees (fresh blood) into the existing culture.

90. (p. 472) All of the following are actions that would be taken while attempting to develop a change in vision except:

A. Understand the strategic vision

B. Assess the organization's readiness for change

C. Create a compelling change story

D. Make the vision operational and comprehensive

91. According to the text case, senior managers finally realized that IT personnel _____ functional or divisional heads who are largely concerned with their own areas.
(p. 495)

A. often have a similar view of the organization to
B. often have a more comprehensive view of the organization than many
C. often have a less comprehensive view of the organization than many
D. none of the above

92. According to the textbook case, what was the final stage of organizational transformation for Reuters as it sought to implement global shared service centers for its financial services function?
(p. 473)

A. Organizational redesign
B. Technology enablement
C. Sourcing redesign
D. Business process redesign

93. Which of the following is the initial stage of an organizational transformation?
(p. 473)

A. Organizational redesign
B. Technology enablement
C. Sourcing redesign
D. Business process redesign

Fill in the Blank Questions

94. The result of the planning process is called a _____, which formally articulates the actions that are necessary to achieve the desired goals. (p. 448)

plan

95. _____ planning deals with the development of an organization's mission, goals, strategies, and policies. Corporations may begin the process by developing a shared vision. (p. 448)

Strategic

96. When a work team goes white-water rafting or engages in some other outdoor team-building exercise, they are creating a _____ in which to reflect on and improve the way they work together. (p. 451)

microworld

97. According to the textbook case, there are four IT risk categories, which are: _____ (p. 452)

Business Operations Risks, Program Risks, Business Interruption Risks, Market Risks.

98. The acronym SWOT stands for strengths, weaknesses, opportunities, and _____. (p. 453)

threats

99. Strategic business/IT planning involves an evaluation of the potential benefits and _____ a company faces when using IT-based strategies and technologies for competitive advantage.
(p. 453)

risks

100. _____ are areas of substandard business performance compared to others in the industry or market segments.
(p. 453)

Weaknesses

101. _____ are core competencies and resources where a firm is a market or industry leader.
(p. 453)

Strengths

102. _____ are the potential for new business markets or innovative breakthroughs that might expand present markets.
(p. 453)

Opportunities

103. _____ are the potential for business and market losses posed by competitors, competitive forces, government, or disruptive technologies.
(p. 453)

Threats

104. A _____ is a conceptual framework that expresses the underlying economic logic and
(p. 455) system that prove how a business can deliver value to customers at an appropriate cost and make money.

business model

105. BSC is a method for measuring a company's activities in terms of its vision and strategies. BSC is an
(p. 458-48-59) acronym for _____.

balanced scorecard

106. Widespread internal use of Internet-based technologies, such as intranets and extranets, can
(p. 461) substantially improve information sharing and _____ within the business and with its trading partners.

collaboration

107. The process of _____ means both the CEO and the CIO manage the development of
(p. 462) complementary business and IT strategies to meet customer value and business value vision.

coadaptation

108. E-business architecture planning integrates business strategy development and business
(p. 463) _____engineering to produce e-business and e-commerce applications using the resources of the IT architecture, component development technologies, and a repository of business models and application components.

process

109. In a planning context, a virtual world is a _____ of the real world.

(p. 451)

microcosm

110. When personnel staff create a role-playing exercise to be used in a supervisory training, they are creating a _____.

(p. 451)

microworld

111. Implementing e-business applications, such as enterprise resource management or customer relationship management, requires a _____ of core business processes, both internally and with supply chain partners.

(p. 464)

reengineering

112. _____ is a process that carries out the plans for changes in business/IT strategies and applications that were developed during the planning process.

(p. 464)

Implementation

113. A _____ application implements a business strategy of using IT to support a total customer care focus for all areas of a company.

(p. 464)

CRM or customer relationship management

114. (p. 464) Up to 75 percent of CRM projects fail to meet their objectives, often as a result of sales force automation problems and "unaddressed _____ issues" related to the sales staff.

cultural

115. (p. 464) CRM is designed to implement a business strategy of using IT to support _____ for all areas of a company.

a total customer care focus

116. (p. 468) A basic requirement of managing business change is getting the involvement and _____ of top management and all stakeholders affected by the planning processes.

commitment

117. (p. 469) Systems _____ are consulting firms or other outside contractors who assume the responsibility for developing and implementing a new e-business application, including designing and leading its change management activities.

integrators

118. (p. 468) Before beginning development of a new application, don't just ask users what they want; find out what they _____.

need

119. (p. 471) According to the text case, DHL Express experienced lower costs through centralized IT, but this made it difficult to ensure that IT spending was in synch with _____.

business strategy

120. (p. 471) The change management model presented in the text suggests that the business vision created in the strategic planning phase should be communicated in a compelling _____ to the people in the organization.

change story

121. (p. 472-473) According to the text case, Avnet Marshall transformed itself into a premiere example of an inter-networked, _____ business.

customer value-focused

Chapter 12 Implementing Business/IT Solutions Answer Key

True / False Questions

1. (p. 485) Systems analysts may recycle back at any time during the systems development cycle in order to modify and improve a system under development, but users do not.

FALSE

Both users and systems analysts may recycle back at any time during the systems development cycle.

2. (p. 486) Analyzing the information needs of employees, customers, and other business stakeholders is done during the systems investigation stage of the application development life cycle.

FALSE

Analyzing information needs is done during the systems analysis stage.

3. In all cases, a preliminary feasibility assessment is a necessary step.

(p. 486)

FALSE

In some cases, a preliminary feasibility assessment is unnecessary.

4. The danger of a technical feasibility study is finding technology that does not yet exist in a stable form.
(p. 488)

TRUE

5. There is little that can be learned from studying the system that will be replaced.
(p. 490)

FALSE

Studying the system that is scheduled for replacement can provide invaluable information, such as the hardware, software, network, and people resources needed to convert data resources into information products.

6. By creating a logical model, the various computer hardware components of a system can be incorporated, analyzed, and understood.
(p. 491)

FALSE

Creating a logical model allows the noncomputer components of a system to be incorporated, analyzed, and understood.

7. In a logical model, a person's inbox is treated just like a computer hard drive.
(p. 491)

TRUE

8. User interface design is frequently a prototyping process with end user input.
(p. 495)

TRUE

9. (p. 495) Some of the coolest stuff on the Web, such as streaming video, can't be accessed by most Web surfers.

TRUE

10. (p. 495) Many Web sites have their own search engines, but very few are actually useful.

TRUE

11. (p. 495) Most successful Web sites are built to specifications that satisfy executives, rather than customers or users.

FALSE

Most successful Web sites are built specifically for the customer, not vice-presidents.

12. (p. 495) Most successful Web sites use complicated color designs so speed of loading the pages is not a concern.

FALSE

Most successful Web sites use simple color palettes so they load quickly.

13. (p. 495) Since most Web users today are very competent with technology, most Web sites do not need site maps or need to be easily navigated.

FALSE

Most successful Web sites are easily navigated and provide site maps accessible from every page.

14. (p. 495) Technology has now advanced to the point where a Web site that looks good in one browser on a particular hardware platform will also look great on every other platform and browser.

FALSE

A Web site that looks good on one platform and browser may look horrible on another platform or browser.

15. (p. 495) Making users fill out long registration forms is a great way to attract users to your Web site because most people enjoy filling out forms and giving out personal information online.

FALSE

Users shy away from long forms and many refuse to give out personal information to Web sites.

16. (p. 495) Keeping the links updated on a Web page is a very difficult, manual job because there is no software available that can do this for you.

FALSE

Many Web-design software tools can now do this.

17. (p. 498) The most basic protection against accidental lost or damage to end user files is to simply make backup copies on a frequent and systematic basis.

TRUE

18. (p. 497) The application development capabilities built into a variety of software packages have made it easier for many users to develop their own computer-based solutions.

TRUE

19. (p. 499) Microsoft FrontPage is an example of an easy-to-use, end user website development tool.

TRUE

20. (p. 500) "Shadow" IT is a culture where users install "rogue" software or tamper with existing software without the consent of the IT department.

TRUE

21. (p. 500) According to the textbook case, IT departments are focusing too much on technology to solve a problem rather than on the problem itself.

TRUE

22. (p. 503) A well-designed system can survive an improperly-executed implementation.

FALSE

Even a well-designed system will fail if it is not properly implemented.

23. (p. 508) Every project objective and every activity associated with that objective must be identified and sequenced.

TRUE

24. (p. 508) The resource allocation report contains information related to the difference between actual and planned project progress.

FALSE

The resource allocation report identifies the various resources that are being applied to specific project activities.

25. (p. 508) The beginning of the end of a project is the implementation and installation of the project deliverables.

TRUE

26. An RFQ is used as the basis for preparing a proposed purchase agreement.

(p. 509)

TRUE

27. The performance of hardware and software can nearly always be determined by obtaining and reading the documentation and case studies supplied by hardware and software suppliers.

(p. 509)

FALSE

Whatever the claims of hardware and software suppliers, the performance of hardware and software must be demonstrated and evaluated.

28. Other users are frequently the best source of the information needed to evaluate the claims of manufacturers and suppliers.

(p. 509)

TRUE

29. These days, evaluating hardware is pretty much limited to speed and pricing.

(p. 510)

FALSE

When evaluating hardware, other issues must also be taken into consideration, such as obsolescence, ergonomics, and connectivity.

30. Systems integrators take over complete responsibility for an organization's computer facilities when an organization out-sources its computer operations.

(p. 511)

TRUE

31. Systems integrators specialize in providing industry-specific hardware, software, and services from selected manufacturers.
(p. 511)

FALSE

Value-added resellers (VARs) specialize in providing industry-specific hardware, software, and services from selected manufacturers.

32. Installing a new application may require converting the data elements in databases that are affected by the new application into new formats.
(p. 512)

TRUE

33. Improperly organized and formatted data are seldom found to be a major contributor to new system implementation failures.
(p. 512)

FALSE

Improperly organized and formatted data are frequently reported to be one of the major causes of failures in implementing new systems.

34. New systems can be designed to use existing data files, and that is normally the case.
(p. 513)

FALSE

Although new systems can be designed to use existing data files, this is not normally the case.

35. (p. 515) Direct conversion should be considered only in extreme circumstances, where no other conversion strategy is available.

TRUE

36. (p. 515) With a pilot conversion, the old and new systems are run simultaneously until the end users and project coordinators are fully satisfied that the new system is functioning correctly and the old system is no longer necessary.

FALSE

This is the description of a parallel conversion.

37. (p. 515) Although having the advantage of low risk, the parallel conversion approach also brings with it the highest cost.

TRUE

38. (p. 515) Unless the operational costs of the new system are significantly less than the old system, the cost of parallel operation can be as much as four times greater than the old system alone.

TRUE

39. (p. 515) Pilot conversion may be the best choice in situations where an automated system is replacing a manual one.

FALSE

Parallel conversion may be the best choice in situations where an automated system is replacing a manual one.

40. (p. 515-516) The pilot conversion approach may be required if individual sites or locations have unique characteristics or idiosyncrasies that make a direct or parallel approach unfeasible.

TRUE

41. (p. 515-516) The parallel conversion approach takes the most time and, thus, creates the most disruption to the organization over time.

FALSE

A phased or gradual conversion takes the most time and creates the most disruption.

42. (p. 516) In a typical organization, more programmers and analysts are assigned to application maintenance activities than to application development.

TRUE

43. Preventive maintenance activities involve changes to an existing system that are intended to improve the performance of a function or interface. (p. 516)

FALSE

Perfective maintenance activities involve changes that are intended to improve the performance of a function or interface.

44. Managers do not need to be trained on the new system as long as the end users have been trained. (p. 514)

FALSE

Managers should be educated in how the new technology affects the business operations and management.

45. According to the text case, some organizations using PPM simply end projects that go bad. (p. 503)

TRUE

Multiple Choice Questions

46. Systems thinking means that an individual sees:

(p. 482)

A. Inter-relationships among systems and processes

B. Discrete snapshots of change, whenever it occurs

C. Linear cause-and-effects when events occur

D. All of the choices are correct.

47. Systems thinking means all the following, except:

(p. 482)

A. Seeing inter-relationships among systems and processes

B. Seeing processes of change among systems, rather than discrete snapshots of change

C. Seeing linear cause-and-effects when events occur

D. Seeing the forest and the trees in any situation

48. The overall process by which information systems are designed and implemented within organizations is referred to as systems _____.

(p. 485)

A. design

B. analysis

C. analysis and design

D. implementation

49. Which of the following correctly reflects the stages of the system development life cycle?

(p. 485)

A. Investigation, analysis, implementation, and maintenance

B. Analysis, design, and implementation

C. Investigation, analysis, design, implementation, and maintenance

D. Investigation, prototyping, design, conversion, and change management

50. A feasibility study is a preliminary study to investigate the information needs of prospective users and is used to determine the proposed system's _____.

(p. 486)

A. resource requirements

B. costs and benefits

C. feasibility

D. All of the choices are correct.

51. All of the following are done during the systems implementation stage of application development, except:

(p. 486)

A. Develop logical models of the current system

B. Acquire or develop hardware and software

C. Convert to the new business system

D. Manage the effects of system changes on end users

52. All of the following are done during the systems investigation stage of application development, except:
(p. 486)

A. Develop logical models of the current system
B. Conduct a feasibility study
C. Determine how to address business opportunities and priorities
D. Develop a project management plan and obtain management approval

53. Which of the following is done during the systems analysis stage of application development?
(p. 486)

A. Develop logical models of the current system
B. Conduct a feasibility study
C. Develop logical models of new system
D. Test the system, and train people to operate and use it

54. Which of the following is done during the systems design stage of application development?
(p. 486)

A. Develop logical models of the current system
B. Conduct a feasibility study
C. Develop logical models of new system
D. Convert to the new business system

55. Which of the following is done during the systems maintenance stage of application development?

(p. 486)

A. Develop logical models of the current system

B. Monitor, evaluate, and modify the business system as needed

C. Develop logical models of new system

D. Convert to the new business system

56. A feasibility study will answer all of the following questions except:

(p. 486-489)

A. Does the technology exist that is necessary to implement the proposed system?

B. Is the proposed system technologically, economically, and operationally feasible?

C. Which brand and model of computer will be used by the proposed system?

D. What impact will the proposed system have on current employees?

57. The _____ feasibility assessment focuses on the degree to which the proposed development project fits with the existing business environment and objectives, with regard to development schedule, delivery date, corporate culture, and existing business processes.

(p. 487)

A. technical

B. legal/political

C. economic

D. operational

58. (p. 486) According to the text, certain changes in _____ may dictate the need for change, regardless of the assessed feasibility of such change.

A. the business environment
B. product specifications
C. management structure
D. technical system requirements

59. (p. 487-488) Determining whether expected cost savings, increased profits, and other benefits exceed the cost of developing and operating a system is related to _____ feasibility.

A. economic
B. functional
C. operational
D. system

60. (p. 487) Dealing with patents, copyrights, and licensing for a proposed system is related to _____ feasibility.

A. economic
B. technical
C. operational
D. legal/political

61. Economic feasibility is concerned with:

(p. 487-488)

A. How well a proposed information system supports the objectives of the organization and its strategic plan for information systems

B. Whether expected cost savings, increased revenue, increased profits, reductions in required investment, and other types of benefits will exceed the cost of developing and operating a proposed system

C. Determining if reliable hardware and software capable of meeting the needs of a proposed system can be acquired or developed by the business in the required time

D. The willingness and ability of management, employees, customers, suppliers, and others to operate, use, and support a proposed system

62. Which of the following factors is related to technical feasibility?

(p. 487)

A. Customer acceptance

B. Governmental restrictions

C. Cost savings

D. Network reliability

63. Which of the following is related to human factors feasibility?

(p. 487)

A. Customer acceptance

B. How well the proposed system will fit with the existing organizational structure

C. Increased profits

D. Hardware capability

64. Which of the following is an example of an intangible cost?

(p. 488)

A. Employee salaries

B. Loss of customer goodwill

C. Reduced inventory-carrying costs

D. Improved customer service

65. Which category of feasibility study focuses on determining if reliable hardware and software, capable of meeting the needs of a proposed system, can be acquired or developed in the required time?

(p. 488)

A. Economic

B. Operational

C. Technical

D. Legal/political

66. All of the following would be a focus of a human factors feasibility study except:

(p. 487)

A. Acceptance by employees

B. How well a proposed system fits the company plans

C. Customer and supplier acceptance

D. All of the choices are factors in human factors feasibility.

67. All of the following would be a focus of a legal/political feasibility study except:

(p. 489)

A. Copyright or patent infringements

B. Links to grassroots political parties

C. Identifying the key stakeholders and the degree to which the proposed system may affect the distribution of power

D. Existing contractual obligations

68. Which of the following is a function of the systems analysis stage?

(p. 489-490)

A. Conducting a feasibility study

B. Developing the functional requirements of the system

C. Writing program code

D. Data conversion

69. Why are business end users frequently added to system development teams?

(p. 490)

A. They have the greatest stake in a successful product

B. They know a lot about the business activities that affect the company's business processes

C. They are usually experienced in IS development

D. They are the most likely to eliminate unnecessary documentation and steps

70. A logical model of a current system is a blueprint of:

(p. 491)

A. How the current system does what it does

B. What the current system does, without regard to how it does it

C. What the system does and how it does it

D. Documentation of what the new system will look like and how it will work

71. Fast retrieval and update of data from product, pricing, and customer databases is an example of a _____ requirement.

(p. 492)

A. user interface

B. processing

C. control

D. storage

72. Automatic entry of product data and easy-to-use data entry screens for Web customers are examples of a _____ requirement.

(p. 492)

A. user interface

B. processing

C. control

D. storage

73. Fast, automatic calculation of sales totals and shipping costs is an example of a _____ requirement.
(p. 492)

A. user interface
B. processing
C. control
D. storage

74. Signals for data entry errors and quick e-mail confirmation for customers are examples of a _____ requirement.
(p. 492)

A. user interface
B. processing
C. control
D. storage

75. During the physical design stage, users and analysts focus on determining _____ the system will accomplish its objectives.
(p. 492)

A. how
B. when
C. where
D. All of the choices are correct.

76. Prototyping involves:

(p. 493)

A. A standard systems development cycle using CASE tools
B. The rapid generation of a system by IS professionals, without the need for end user input
C. An interative, interactive development process with extensive end user involvement
D. A fail-safe development process designed to ensure that an information system meets all user requirements, without revision

77. Which of the following statements most accurately applies to the concept of prototyping?

(p. 493)

A. Prototyping is not practical for large-scale projects
B. Prototyping produces an actual working model of the information system needed by users
C. Prototyping emphasizes getting the design right the first time
D. Prototyping reduces the need for user involvement in systems development

78. Which of the following statements applies to end user development?

(p. 497-498)

A. IS professionals play a consulting role, while end users do their own application development
B. Focus should be on the fundamental activities of any information system: input, processing, output, storage, and control
C. Users develop new or improved ways to perform your jobs without the direct involvement of IS specialists
D. All of the choices are correct.

79. User interface design refers to the development of:

(p. 495)

A. Programs and procedures to be used by end-users

B. Display screens, forms and reports, and interactive computer user dialogs

C. User training manuals

D. The structure of databases and files accessible by end users

80. In analyzing a potential application, you should focus first on the _____ to be produced by the application.

(p. 498)

A. input

B. processing

C. storage

D. output

81. When analyzing a potential application, the proper order of actions should be:

(p. 498)

A. input, output, processing

B. processing, output, input

C. input, processing, output

D. output, input, processing

82. Control measures for end user applications vary greatly depending upon the:

(p. 488)

A. Number and nature of the users of the application

B. Scope and duration of the application

C. Nature of the data involved

D. All of the choices are correct.

83. The systems implementation stage of application development involves:

(p. 503)

A. Hardware and software acquisition

B. Conversion of data resources

C. Testing of programs and procedures

D. All of the choices are correct.

84. Which of the following is recognized as an idea to spur end user Web development?

(p. 499)

A. Spur creativity

B. Make users comfortable

C. Set limits

D. All of the choices are correct.

85. No matter what the project, all of the following elements are necessary except:
(p. 507)

A. Prototypes
B. Process
C. Tools
D. Techniques

86. All of the following are activities performed during the initiating/defining project management phase except:
(p. 507)

A. Stating the problems/goals
B. Securing resources
C. Writing a detailed project plan
D. Exploring costs/benefits with a feasibility study

87. Which of the following are activities performed during the initiating/defining project management phase?
(p. 507)

A. Establish reporting obligations
B. Securing resources
C. Commit resources to specific tasks
D. Meet with stakeholders

88. All of the following are activities performed during the planning project management phase except:
(p. 507)

A. Stating the problems/goals
B. Identify the "critical path"
C. Writing a detailed project plan
D. Estimate time and resources needed for completion

89. Which of the following are activities performed during the planning project management phase?
(p. 507)

A. Establish reporting obligations
B. Identify and sequence activities
C. Commit resources to specific tasks
D. Meet with stakeholders

90. All of the following are activities performed during the executing project management phase except:
(p. 507)

A. Commit resources to specific tasks
B. Add additional resources/personnel if necessary
C. Writing a detailed project plan
D. Initiate project work

91. Which of the following are activities performed during the executing project management phase?

(p. 507)

A. Establish reporting obligations

B. Identify and sequence activities

C. Commit resources to specific tasks

D. Meet with stakeholders

92. All of the following are activities performed during the controlling project management phase except:

(p. 507)

A. Create reporting tools

B. Compare actual progress with baseline

C. Establish reporting obligations

D. Writing a detailed project plan

93. Which of the following are activities performed during the controlling project management phase?

(p. 507)

A. Establish reporting obligations

B. Identify and sequence activities

C. Commit resources to specific tasks

D. Meet with stakeholders

94. All of the following are activities performed during the closing project management phase except:
(p. 507)

A. Install all deliverables
B. Release project resources
C. Document the project
D. Writing a detailed project plan

95. Which of the following are activities performed during the closing project management phase?
(p. 507)

A. Meet with stakeholders
B. Identify and sequence activities
C. Commit resources to specific tasks
D. Establish reporting obligations

96. Which of the following activities would normally be performed during the closing project management phase?
(p. 507)

A. Document the project
B. Establish reporting obligations
C. Compare actual progress with baseline
D. Initiate control interventions, if necessary

97. According to the text, what is probably the most important contribution of the modern project management approach? (p. 507)

A. Identifying the project as a series of steps

B. Recognizing the importance of user input to the project

C. Eliminating the input of information system specialists

D. None of the selections are considered the most important

98. The most important objective to achieve during the _____ phase is the clear and succinct statement of the problem that the project is to solve, or the goals that it is to achieve. (p. 508)

A. initiating/defining

B. planning

C. executing

D. controlling

99. The acronym RFP stands for: (p. 509)

A. Request for pricing

B. Request for proposal C.

Request for flat pricing D.

Request for fixed pricing

100. When a company needs to evaluate competing proposals for hardware or software acquisition:

(p. 509)

A. Each evaluation factor is assigned an equal weight

B. Each evaluation factor is assigned a different number of points, depending on its importance to the company

C. The lowest bid is always the ultimate selection factor

D. Only three things matter: cost, performance, and support

101. The question of compatibility with hardware and software being provided by competing suppliers is a _____ evaluation factor.

(p. 510)

A. performance

B. compatibility

C. technology

D. connectivity

102. Software packages that are _____ aren't a good choice at any price.

(p. 511)

A. slow

B. hard to use

C. poorly documented

D. All of the choices are correct.

103. Which of the following statements about documentation is true?

(p. 513)

A. Documentation is no longer important because commercial software has online help systems, backed up with Internet-based help systems

B. Documentation serves as a method of communication among the people who develop, implement, and maintain a system

C. Only program modifications and/or customizations need to be documented

D. Documentation is the most expensive part of any system implementation

104. A large retail company with many locations may choose to use a conversion strategy in which the new system is put in place at only one location. This method of conversion is called _____ conversion.

(p. 515-516)

A. parallel

B. pilot

C. phased

D. direct

105. According to the text, adaptive maintenance includes:

(p. 516)

A. Fixing software bugs and logic errors not detected during the implementation testing period

B. Modifying existing functions or adding new functionality to accommodate changes in the business or operating environments

C. Reducing the chances of system failure or extending the capacity of a current system's useful life

D. Making changes to an existing system that are intended to improve the performance of a function or interface

106. According to the text, corrective maintenance includes:

(p. 516)

A. Fixing software bugs and logic errors not detected during the implementation testing period
B. Modifying existing functions or adding new functionality to accommodate changes in the business or operating environments
C. Reducing the chances of system failure or extending the capacity of a current system's useful life
D. Making changes to an existing system that are intended to improve the performance of a function or interface

107. According to the text, preventative maintenance includes:

(p. 516)

A. Fixing software bugs and logic errors not detected during the implementation testing period
B. Modifying existing functions or adding new functionality to accommodate changes in the business or operating environments
C. Reducing the chances of system failure or extending the capacity of a current system's useful life
D. Making changes to an existing system that are intended to improve the performance of a function or interface

108. According to the text, perfective maintenance includes:

(p. 516)

A. Fixing software bugs and logic errors not detected during the implementation testing period
B. Modifying existing functions or adding new functionality to accommodate changes in the business or operating environments
C. Reducing the chances of system failure or extending the capacity of a current system's useful life
D. Making changes to an existing system that are intended to improve the performance of a function or interface

109. (p. 518) Evaluating and acquiring necessary hardware and software resources and information system services is a(n) _____ activity.

A. acquisition
B. software development
C. documentation
D. conversion

110. (p. 518) Developing software that will not be acquired externally and making necessary modifications to software packages that are acquired is a(n) _____ activity.

A. acquisition
B. software development
C. documentation
D. conversion

111. (p. 518) Changing data in company databases to new data formats and subsets required by newly installed software is a(n) _____ activity.

A. acquisition
B. software development
C. documentation
D. conversion

112. (p. 518) Educating management, end users, customers, and other business stakeholders to develop user competencies is a(n) _____ activity.

A. acquisition
B. testing
C. documentation
D. training

113. (p. 518) Assessing and making necessary corrections to the programs, procedures, and hardware used by a new system is a(n) _____ activity.

A. acquisition
B. software development
C. testing
D. conversion

114. (p. 518) Recording and communicating detailed system specifications, including procedures for end users and IS personnel and examples of input screens, output displays, and reports, is a(n) _____ activity.

A. acquisition
B. software development
C. documentation
D. conversion

115. Switching from the use of a present system to the operation of a new or improved system is a(n) _____ activity.

(p. 518)

A. acquisition

B. software development

C. documentation

D. conversion

Fill in the Blank Questions

116. When the systems approach to problem solving is applied to the development of information systems solutions, it is called information systems development or _____ development.
(p. 482)

application

117. Management consultant and author Peter Senge calls systems thinking the _____.
(p. 482)

fifth discipline

118. One way of practicing systems thinking is to try to find systems, subsystems, and components of systems in any situation you are studying. This is known as using a systems context or having a _____ of a situation.
(p. 482)

systemic view

119. The _____ stage is the first step in the systems development process.
(p. 485)

systems investigation

120. The purpose of _____ feasibility is to determine if the problem at hand can be identified and solved within a reasonable time period.
(p. 487)

schedule

121. _____ requirements are end user information requirements that are not tied to the hardware, software, network, data, and people resources that end users presently use or might use in the new system.
(p. 492)

Functional

122. Systems design consists of three design activities: user interface, data design, and _____ design.
(p. 492)

process

123. The _____ is the system component closest to business end users, and the one they will most likely help design.
(p. 495)

user interface

124. A _____ is a special set of activities with a clear beginning and end.
(p. 507)

project

125. According to the text, what is probably the most important contribution of the modern project management approach? _____
(p. 507)

Identifying the project as a series of steps

126. (p. 508) Tools that have been created to assist in the sequencing of project activities include dependence diagrams, program evaluation and review (PERT), critical path method (CPM), and a commonly used timeline diagram known as a _____ chart.

Gantt

127. (p. 508) Once all of the activities in the planning phase are complete, and detailed plans have been created and approved, the _____ phase of the project can begin.

execution

128. (p. 508) The single most important tool for project control is the _____.

report

129. (p. 508) A _____ report is an open-ended report that details the progress that led to the current project state.

status

130. (p. 510) _____ hardware and software involves simulating the processing of typical jobs on several computers and then evaluating their performances.

Benchmarking

131. Testing, data conversion, documentation, and _____ are the keys to successful implementation of a new business system.
(p. 512)

training

132. When computer-aided systems engineering methods are used, documentation can be created and changed easily, because it is stored and accessible on disk in a _____.
(p. 513)

system repository

133. The four major forms of system conversion are parallel, phased, pilot, and _____.
(p. 514)

direct

134. The simplest conversion strategy, and probably the most disruptive to the organization, is the _____ approach.
(p. 514)

direct cutover

135. The direct cutover conversion strategy is sometimes referred to as the cold-turkey or _____ strategy.
(p. 514)

slam dunk

136. One major activity in post-implementation involves making changes to the system as a result of the users finally having an opportunity to use it. These requests are called _____.
(p. 516)

change requests or change orders

137. The four basic categories of maintenance are corrective, adaptive, perfective, and _____.
(p. 516)

preventive

138. According to the text, _____ maintenance includes modifying existing functions or adding new functionality to accommodate changes in the business or operating environments.
(p. 516)

adaptive

139. According to the text, _____ maintenance includes fixing software bugs and logic errors not detected during the implementation testing period.
(p. 516)

corrective

140. According to the text, _____ maintenance includes reducing the chances of system failure or extending the capacity of a current system's useful life.
(p. 516)

preventative

141.
(p. 516)

According to the text, _____ maintenance includes making changes to an existing system that are intended to improve the performance of a function or interface.

perfective

Chapter 13 Security and Ethical Challenges Answer Key

True / False Questions

1. (p. 528) As a manager or business professional you should manage your work activities and those of others to minimize the detrimental effects of e-business systems and optimize their beneficial effects.

TRUE

2. (p. 532) Scheduling work breaks and limiting exposure to computer monitors are examples of ethical behavior by organizations.

TRUE

3. (p. 532) Many companies and organizations have established guidelines for ethical conduct, but very few specify that company computer workstations and networks are company resources to be used for work-related uses only.

FALSE

Most policies specify that company computer workstations and networks are company resources that must be used only for work-related uses.

4. (p. 534) Cyber crime is becoming one of the Net's growth businesses.

TRUE

5. (p. 535) According to the text case, it is reasonably easy for law enforcement to catch "bad guys" on the Internet.

FALSE It is difficult to catch bad guys on the Internet.

6. (p. 535) Electronic breaking and entering means getting access to a computer system, reading some files, but neither stealing nor damaging anything. TRUE

7. A malicious applet is an instruction in a computer program that triggers a malicious act.
(p. 536)

FALSEThis is the description of a logic bomb.

8. A sniffer is a program that covertly searches individual packets of data as they pass through
(p. 536) the Internet, capturing passwords or content.

TRUE

9. A hacker is a person who maintains knowledge of the vulnerabilities and exploits he or she
(p. 536) finds for private advantage, and does not reveal them either to the general public or to the manufacturer for correction.

FALSE This is the description of a cracker, not a hacker.

10. Most companies don't reveal that they have been targets or victims of computer crime.
(p. 537)

TRUE

11. Moonlighting is an Internet abuse where an employee is paid by outsiders for allowing them to use the company's Internet services for free.
(p. 539)

FALSEMoonlighting is an abuse where the employee uses the firm's resources for personal business.

12. Using office resources, such as networks and computers, to search for side jobs is generally not considered workplace Internet abuse.
(p. 539)

FALSEThis type of activity falls under the moonlighting category, which is a form of Internet abuse.

13. According to one survey, 90 percent of U.S. workers admit to surfing recreational sites during office hours. TRUE
(p. 539)

14. According to the text case, about two-thirds of the companies surveyed monitor their Internet connections, but only two states require informing employees that they do so.
(p. 540)

TRUE

15. The music industry reports that illegal downloading of music and videos is a growing problem.
(p. 541)

FALSE

Illegal downloading of music and videos is down and continuing to drop.

16. A virus is a distinct program that can run unaided.
(p. 542)

FALSE

A virus is a program code that cannot work without being inserted into another program.

17. Spyware is annoying, but generally no threat to your privacy.
(p. 544)

FALSE

Spyware is, and should be, considered a clear threat to your privacy.

18. Confidential e-mail messages are seldom monitored, although other business communication routinely is.
(p. 546)

FALSE

Many companies monitor all e-mail messages, even those of a confidential nature.

19. In the United States, opt-out is the default position, whereas in Europe consumers must opt-in or their personal information cannot be used. (p. 546-547)

TRUE

20. The use of information technologies is causing a significant reduction in some types of job opportunities. (p. 551)

TRUE

21. Computer monitoring has been criticized as unethical because no one is overseeing the person who monitors the workers. (p. 5551)

FALSE

Computer monitoring has been criticized as unethical because it monitors individuals, not just work, and is done continually.

22. Computer monitoring has been criticized as an invasion of employee privacy because it uses video as well as keystroke surveillance.
(p. 551)

FALSE

Computer monitoring has been criticized as an invasion of employee privacy because in many cases employees do not know that they are being monitored, nor do they know how the information is being used.

23. Lawsuits by monitored workers against employers are increasing.
(p. 552)

TRUE

24. The widespread use of personal computers and the Internet has dramatically improved the development of people-oriented and personalized information systems.
(p. 553)

TRUE

25. People who sit at PC workstations or visual display terminals in fast-paced, repetitive-keystroke jobs can suffer from a variety of health problems, known collectively as computer trauma disorders (CTDs). (p. 553)

FALSE

These health problems are known as cumulative trauma disorders.

26. According to the text, the need for security management is being driven by the increasing threat of cybercrimes and by the growing use of the Internet to link companies with partners and customers. (p. 555)

TRUE

27. The most widely used encryption method uses a pair of public and private keys unique to each individual. (p. 559)

TRUE

28. Firewall software has become essential for individuals connecting to the Internet with DSL or cable modems because of their faster download speeds.
(p. 560)

FALSE

Firewall software has become essential for individuals connecting to the Internet with DSL or cable modems because of their "always on" connection status.

29. According to the text case, monitoring employees use of email and the Internet has become commonplace.
(p. 540)

TRUE

30. These days, corporate antivirus protection is a centralized function of information technology.
(p. 563)

TRUE

31. Security suites integrate virus protection with firewalls, Web security, and encrypted e-mail.
(p. 564)

FALSE

Security suites integrate virus protection with firewalls, Web security, and content blocking features.

32. In some systems, the password to read the contents of a file is different from that required
(p. 565) to write to a file (change its contents).

TRUE

33. Security monitors can control the use of the hardware, software, and data resources of a
(p. 566) computer system.

TRUE

34. Biometric control devices use special-purpose sensors to measure and digitize a biometric
(p. 566) profile of an individual's fingerprints, voice, or other physical trait.

TRUE

35. IS controls are needed to ensure the proper entry of data into a business system and thus avoid the gigabytes in, gigabytes out (GIGO) syndrome.
(p. 569)

FALSE

IS controls are needed to ensure the proper entry of data into a business system and thus avoid the garbage in, garbage out (GIGO) syndrome.

36. IT security management should be periodically examined or audited by a company's internal auditing staff or auditors from professional accounting firms.
(p. 570)

TRUE

Multiple Choice Questions

37. As a business professional, you have a responsibility to promote ethical uses of information technology in the workplace. This responsibility includes: (p. 528)

A. Performing your role as a vital business resource by participating on every development team

B. Using the Internet only during breaks and after-work hours

C. Performing your role as a vital human resource in the business systems you help develop and use in your organization

D. Documenting all employee electronic mail usage and Internet searches

38. According to the text, information technology has caused ethical controversy in all of the following basic categories of ethical business issues, except: (p. 531)

A. Intellectual property rights

B. Whistle blowing

C. Customer and employee privacy

D. Workplace safety

39. (p. 531) According to the text, information technology has caused ethical controversy in which of the following basic categories of ethical business issues?

A. Comparable worth
B. Whistle blowing
C. Workplace safety
D. Employee conflicts of interest

40. (p. 531) According to the text, which are the four basic categories of ethical business issues where information technology has caused ethical controversy?

A. Intellectual property rights, customer and employee privacy, security of company information, and workplace safety
B. Executive salaries, affirmative action, whistle blowing, and advertising content
C. Product pricing, shareholder interests, inappropriate gifts, divestment
D. Comparable worth, sexual harassment, employee conflicts of interest, product safety

41. When managers apply the _____ theory of ethical decision making, they believe that companies have ethical responsibilities to all members of society. (p. 531)

A. social contract
B. stakeholder
C. stockholder
D. Midas

42. When managers apply the _____ theory of ethical decision making, they believe that managers have an ethical responsibility to manage a firm for the benefit of all individuals and groups that have a claim on a company. (p. 531)

A. social contract
B. stakeholder
C. stockholder
D. Midas

43. When managers apply the _____ theory of ethical decision making, they believe their only responsibility is to increase the profits of the business without violating the law or engaging in fraudulent practices.
(p. 531)

A. social contract
B. stakeholder
C. stockholder
D. Midas

44. The social contract theory maintains that:
(p. 531)

A. Companies have ethical responsibilities to all members of society, which allow corporations to exist based on a social contract
B. Managers are agents of the organization's owners, and their only ethical responsibility is to increase the profits of the business without violating the law or engaging in fraudulent practices
C. Managers have an ethical responsibility to manage a firm for the benefit of all individuals and groups that have a claim on a company
D. Managers are agents of the customer, and their only ethical responsibility is to increase the service of the business, without violating the law or engaging in fraudulent practices

45. The stockholder theory maintains that:

(p. 531)

A. Companies have ethical responsibilities to all members of society, which allow corporations to exist based on a social contract

B. Managers are agents of the organization's owners, and their only ethical responsibility is to increase the profits of the business without violating the law or engaging in fraudulent practices

C. Managers have an ethical responsibility to manage a firm for the benefit of all individuals and groups that have a claim on a company

D. Managers are agents of the customer, and their only ethical responsibility is to increase the service of the business, without violating the law or engaging in fraudulent practices

46. The stakeholder theory maintains that:

(p. 531)

A. Companies have ethical responsibilities to all members of society, which allow corporations to exist based on a social contract

B. Managers are agents of the organization's owners, and their only ethical responsibility is to increase the profits of the business without violating the law or engaging in fraudulent practices

C. Managers have an ethical responsibility to manage a firm for the benefit of all individuals and groups that have a claim on a company

D. Managers are agents of the customer, and their only ethical responsibility is to increase the service of the business, without violating the law or engaging in fraudulent practices

47. (p. 532) According to the text, all the following are examples of ethical behavior by organizations, except:

A. Scheduling work breaks
B. Stockholder theory
C. Limiting exposure to computer monitors
D. Preventing hand or eye injuries

48. (p. 532) One of the major principles of technology ethics is that the good achieved by the technology must outweigh the harm or risk. Moreover, there must be no alternative that achieves the same or comparable benefits with less harm or risk. This principle is:

A. Informed consent
B. Justice
C. Minimized risk
D. Proportionality

49. Which of the following best describes the ethical principle of informed consent?

(p. 532)

A. The good achieved by technology must outweigh the harm or risk. Moreover, there must be no alternative that achieves the same or comparable benefits with less harm or risk

B. Those affected by technology should understand and accept the risks

C. The benefits and burdens of technology should be distributed fairly. Those who benefit should bear their fair share of the risks, and those who do not benefit should not suffer a significant increase in risk

D. Even if judged acceptable by the other guidelines, the technology must be implemented so as to avoid all unnecessary risks

50. One of the major principles of technology ethics is that even if judged acceptable by the other three guidelines, the technology must be implemented so as to avoid all unnecessary risk. This principle is:

(p. 532)

A. Informed consent

B. Justice

C. Minimized risk

D. Proportionality

51. All of the following are AITP standards of professional conduct related to a person's obligation to society except:
(p. 533)

A. Protect the privacy and confidentiality of all information entrusted to me
B. To the best of my ability, ensure that the products of my work are used in a socially responsible way
C. Never misrepresent or withhold information that is germane to a problem or a situation of public concern
D. Do not use knowledge of a confidential or personal nature in any unauthorized manner to achieve personal gain

52. _____ is/are the most commonly used security technology at large companies.
(p. 534)

A. Intrusion-detection systems
B. Smart cards
C. Biometrics
D. Antivirus software

53. According to the text, all of the following statements are included in the definition of computer crime except:
(p. 534)

A. Unauthorized modification of software, data, or network resources
B. Unauthorized release of information
C. Unauthorized copying of software
D. Unauthorized distribution of public domain software

54. According to the text, companies are protecting themselves from computer crime by using:
(p. 534)

A. Antivirus software
B. Intrusion-detection systems
C. Biometrics
D. All of the choices are correct.

55. _____ means getting access to a computer system, reading some files, but neither stealing nor damaging anything.
(p. 535)

A. Electronic breaking and entering
B. Sniffing
C. Snooping
D. Dumpster diving

56. The text defines _____ as the obsessive use of computers, or the unauthorized access and use of networked computer systems. (p. 535)

A. hacking
B. cyber-slacking
C. cracking
D. resource theft

57. The text defines a _____ as a person who maintains knowledge of the vulnerabilities he or she finds and exploits them for private advantage, not revealing them to either the general public or the manufacturer for correction. (p. 536)

A. hacker
B. cyber-slacking
C. cracker
D. resource theft

58. Hammering a Web site's equipment with too many requests for information, slowing performance or even crashing the site is called:
(p. 536)

A. A logic bomb
B. Denial of service
C. A back door
D. Social engineering

59. Sifting through a company's garbage looking for information to help break into the company's computers; sometimes used in conjunction with social engineering is called:
(p. 536)

A. Dumpster diving
B. Denial of service
C. A back door
D. A sniffer

60. Talking unsuspecting company employees out of valuable information such as passwords is called:
(p. 536)

A. Sniffing
B. Denial of service
C. A back door
D. Social engineering

61. A _____ is software that can guess passwords.
(p. 536)

A. logic bomb
B. password cracker
C. back door
D. sniffer

62. (p. 536) One way hackers gain access to an individual's information is by faking an e-mail address or Web page to trick users into passing along critical information like credit card numbers. This is known as _____.

A. sniffing
B. hacking
C. phishing
D. spoofing

63. (p. 538) According to the text case, _____ of people have stolen key information from work.

A. 10%
B. 20%
C. 70%
D. 80%

64. According to the text, companies can use _____ to attack the problem of unauthorized use of computer systems and networks, to monitor network traffic in order to reveal evidence of improper use.
(p. 538-539)

A. sniffers
B. snoopers
C. zombies
D. password crackers

65. To use public domain software legally, a company:
(p. 540)

A. Must purchase individual copies or a site license for a certain number of copies
B. Can examine a single copy of the software for 30 days and then purchase as many copies as needed
C. Can make as many copies as desired because the software is not copyrighted
D. None of the choices are correct.

66. Software that is not copyrighted is called:

(p. 540)

A. Shareware

B. Open source

C. Public domain

D. None of the choices are correct.

67. All of the following are common ways for a computer virus to enter a computer system except:

(p. 542)

A. E-mail and file attachments

B. Running antivirus programs

C. Downloaded copies of shareware

D. Borrowed copies of software

68. Which of the following statements about adware and spyware is true?

(p. 544-545)

A. Protecting against this software usually requires the purchase and installation of programs designed to prevent the software from being downloaded and installed

B. Removal programs are 100% successful, although they are very expensive

C. Adware software removes spyware software from a user's computer

D. A user must approve the downloading of adware, even if tricked into doing so

69. (p. 546-547) Governments around the world are debating privacy issues and considering various forms of legislation. One area central to the privacy debate is opt-in versus opt-out. Those preferring the opt-in standard do so because this standard would:

A. Make privacy the default for consumers
B. Make privacy the default, if a consumer calls in to request no data sharing
C. Make sharing private information the default
D. It would match the existing policy of most Internet-based companies

70. (p. 548) Individuals have been mistakenly arrested and jailed, and others have been denied credit because of their physical profiles or personal data. These are often the result of:

A. Computer profiling and computer matching
B. Unauthorized opt-in
C. Censorship
D. Adware

71. (p. 550) Indiscriminate sending of unsolicited e-mail messages to many Internet users is called _____.

A. flaming
B. spamming
C. spoofing
D. spying

72. Sending extremely critical, derogatory, and often vulgar e-mail messages is called _____.
(p. 550)

A. flaming
B. spamming
C. spoofing
D. spying

73. Computer monitoring has been criticized as unethical because:
(p. 551)

A. It only monitors the work being done
B. Nobody is overseeing the person doing the monitoring
C. It is outside human control
D. It monitors individuals, not just the job

74. Computer monitoring has been criticized as an invasion of employee privacy because:
(p. 551)

A. Many times employees do not know they are being monitored
B. Employees know how the information is being used
C. It monitors the work being done
D. It is outside human control

75. Information technologies have caused a significant reduction in the following types of job opportunities, except:
(p. 551)

A. Accounting
B. Control of machine tools
C. E-commerce directors
D. All the answers are jobs that have been reduced by information technologies

76. Lawsuits by monitored workers against employers are:
(p. 552)

A. increasing
B. decreasing
C. staying the same
D. no longer permitted in any of the 50 states

77. (p. 553) Which of the following is not a health issue commonly related to the use of information technology in the workplace?

A. Damaged arm and neck muscles
B. Eyestrain
C. Job stress
D. Hearing loss

78. (p. 553) People who sit at PC workstations or visual display terminals in fast-paced, repetitive-keystroke jobs can suffer from a variety of health problems, known collectively as _____.

A. Computer trauma disorders
B. Eyestrain
C. Carpal tunnel distress
D. Cumulative trauma disorders

79. Good ergonomic design considers tools, tasks, the workstation, and _____.

(p. 554)

A. the users

B. the environment

C. the software

D. previous injuries

80. The goal of ergonomics is to design:

(p. 553)

A. Effective work environments that are conducive to fast-paced, repetitive jobs

B. Efficient work environments that are productive and promote high morale

C. Healthy work environments that are safe, comfortable, and pleasant for people to work in

D. Policies regarding work environment structures

81. The text describes a/an _____ as a "gatekeeper" system that protects a company's intranets and other computer networks from intrusion by providing a filter and safe transfer point for access to and from the Internet and other networks.
(p. 560)

A. firewall
B. filtered portal
C. encoder
D. telecommunications line

82. What is the purpose of external firewalls?
(p. 560)

A. To prevent users from accessing sensitive human resource or financial data
B. To limit access of intranet resources to specific users
C. To avoid creating security holes to back-end resources
D. To keep out unauthorized Internet users from intranet networks

83. Firewall software has become essential for individuals connecting to the Internet with DSL or cable modems:
(p. 560)

A. Because of their faster download speeds
B. Because of their "always on" connection status
C. Because antivirus software is not made for these connections
D. All the choices are correct

84. Which of the following is not a method used to defend against denial of service attacks at "zombie" machines?
(p. 561)

A. Set and enforce security policies
B. Monitor employee emails
C. Remind users not to open .exe mail attachments
D. Close unused ports

85. (p. 561) In 2000, hackers broke into hundreds of servers and planted Trojan horse .exe programs, which were then used to launch a barrage of service requests in a concerted attack at e-commerce websites, such as Yahoo! and eBay. This is an example of a distributed _____ attack.

A. acceptance of service
B. denial of service
C. zombie
D. Trojan virus

86. (p. 561) Which of the following is a method used to defend against denial of service attacks at the victim's website?

A. Create backup servers and network connections
B. Limit connections to each server
C. Install multiple intrusion-detection systems and multiple routers for incoming traffic to reduce choke points
D. All of the choices are correct.

87. Security monitors can control the use of all the following except:

(p. 566)

A. Hardware

B. Software

C. External networks

D. Data resources

88. According to the text, backup files:

(p. 565-566)

A. Are duplicate files of data or programs

B. Can be used to reconstruct the original files if they are destroyed

C. May be stored off-premises, sometimes in special storage vaults in remote locations

D. All of the choices are correct.

89. According to the text, GIGO stands for:

(p. 569)

A. Generalized input, gross output

B. Gateway input, gateway output

C. Gigabytes in, gigabytes out

D. Garbage in, garbage out

90. An effective disaster recovery plan would include which of the following?

(p. 569)

A. Arrangements with other companies for use of alternative facilities as a disaster recovery site.

B. A listing of what hardware, software, and facilities will be used.

C. A listing of which applications will be processed, and in what priority.

D. All of the choices are correct.

Fill in the Blank Questions

91. One way hackers gain access to a company's information to help break into their computers is by sifting through a company's garbage. This is referred to as _____.

(p. 536)

dumpster diving

92. Many computer crimes involve the theft of money. In the majority of these cases they are _____ that involve unauthorized network entry and fraudulent alteration of computer database to cover the tracks of the employees involved.

(p. 537)

inside jobs

93. According to the text case, _____ of people have stolen key information from work.
(p. 538)

71%

94. According to the textbook, the unauthorized use of computer systems and networks can be called time and _____ theft.
(p. 538)

resource

95. The text refers to the unauthorized use of computer systems and networks. To attack this problem, companies can use _____ to monitor network traffic in order to reveal evidence of improper use.
(p. 538-539)

sniffers

96. Unauthorized copying of software (software piracy) is illegal because software is considered _____ that is protected by copyright law and user licensing agreements.
(p. 541)

intellectual property

97. In most cases, the purchase of a commercial software package is really a payment to license its fair use by an individual end user. Therefore, many companies sign _____ licenses that allow them to legally make a certain number of copies for use by their employees at a particular location.
(p. 540)

site

98. _____ software is not copyrighted.
(p. 540)

Public domain

99. Unauthorized copying of software, or _____, is a major form of software theft.
(p. 540)

software piracy or pirating

100. _____ file sharing software enables direct MP3 audio file transfers of specified tracks of music between your PC and those of other users on the Internet.
(p. 541)

Peer-to-peer

101. End users should regularly use _____ programs that locate and remove computer viruses from infected files on their hard disk. (p. 542)

antivirus

102. _____ is software that, while purporting to serve some useful function, also allows Internet advertisers to display advertisements as banners and pop-up ads without the consent of the computer user. (p. 544)

Adware

103. _____ is a special class of adware that collects specific information about you, ranging from general demographics to credit card and social security numbers, using the user's Internet connection in the background without his/her knowledge or explicit permission. (p. 544)

Spyware

104. The text describes _____ as the practice of sending extremely critical, derogatory, and often-vulgar E-mail messages or electronic bulletin board postings to other users on the Internet or online services. (p. 550)

flaming

105. The text describes _____ as the indiscriminate sending of unsolicited e-mail
(p. 550) messages to many Internet users.

spamming

106. Laws intended to regulate activities over the Internet or via the use of electronic data
(p. 550) communications are collectively referred to as _____ law.

cyber

107. Computer _____ is defined in the text as the act of using computers to monitor
(p. 551) the behavior and productivity of workers on the job and in the workplace.

monitoring

108. One ethics challenge presented by IT is that computer monitoring, in its extremes, can
(p. 551) create an electronic _____, where workers are forced to work at a hectic pace under poor working conditions.

sweatshop

109. The use of information technology in the workplace raises a variety of health issues. For example, some computer users suffer from _____ syndrome, a painful, crippling ailment of the hand and wrist that can require surgery to cure.
(p. 553)

carpal tunnel

110. The text defines _____ as the science and technology emphasizing the safety, comfort, and ease of use of human-operated machines, such as computers. It is also called human factors engineering.
(p. 553)

ergonomics

111. _____ is described as the process of scrambling data or converting it, prior to transmission, to a secret code that masks the meaning of the data to unauthorized recipients.
(p. 559)

Encryption

112. _____ consist of computers, communications processors, and/or software that protect computer networks from intrusion by screening all network traffic and serving as a safe transfer point for access to and from other networks.
(p. 560)

Firewalls

113. A company may use computer systems that have redundant processors, peripherals, and
(p. 567) software to obtain a _____ capability, where the computer system continues to operate at the same level even if there is a major hardware or software failure.

fail-safe

114. A _____ plan is a method for ensuring that an organization recovers from
(p. 567) natural and human-caused disasters that affect its computer-based operations. These plans specify items such as hardware, software, employee duties, and facilities to be used.

disaster recovery

115. The documentation that allows a transaction to be traced through all stages of information
(p. 570) processing is called an _____ trail.

audit

116.

(p. 570)

Many times, an electronic audit trail takes the form of _____ that automatically record all computer network activity on magnetic disk or tape devices.

control logs

Chapter 14 Enterprise and Global Management of Information Technology Answer Key

True / False Questions

1. (p. 580) Whether you plan to be an entrepreneur and run your own company, a manager in a corporation, or a business professional, managing information systems and technologies will be one of your major responsibilities.

TRUE

2. (p. 580) Information technology today is viewed as a helpful, but non-essential component of business success.

FALSE

In today's world, information technology is absolutely essential for business success.

3. (p. 580) Within an organization, the chief executive officer (CEO) and the chief security officer (CSO) lead the business/IT planning process so that IT is aligned with strategic business goals.

FALSE

Aligning IT with strategic business goals is the job of the CEO and the chief information officer (CIO)

4. (p. 580) According to the text, managing the development and implementation of new business/IT applications and technologies is a responsibility shared by the chief executive officer (CEO) and the chief information officer (CIO).

FALSE

Responsibility for the development and implementation of new business/IT applications and technologies is jointly shared by the CEO and the chief technology officer (CTO).

5. (p. 580) According to the text, managing the IT organization and infrastructure includes the management of the hardware, software, databases, telecommunications networks, and other IT resources.

TRUE

6. (p. 583) A "best of breed" approach to technology management may sacrifice match-with-business needs for vendor homogeneity and technology platform choices.

FALSE Taking a "best of breed" approach means that matching business needs takes precedence over commitment to technology platform choices and vendor homogeneity.

7. (p. 583) The conventional approach to managing IT human resources is to develop evolving workgroups that are organized around emerging IT-intensive business initiatives, with little explicit delegation of tasks.

FALSE

This is a description of a best-of-breed approach.

8. (p. 583) The conventional approach to managing IT human resources is to hire "best by position" personnel who bring specific IT expertise.

TRUE

9. (p. 586) In the early years of computing, the development of large mainframe computers, telecommunications networks, and terminals caused centralization of computer hardware and software, databases, and information specialists.

TRUE

10. (p. 586) The shift toward distributed client/server networks promoted a shift of databases and information specialists to the departmental level, and the creation of information centers to support end user and workgroup computing.

TRUE

11. A trend toward downsizing prompted a move back toward IT decentralization by many business firms. (p. 586)

TRUE

12. Project management is a key management responsibility if IT projects are to be completed on time and within budget. (p. 586)

TRUE

13. IS operations management is concerned with the use of hardware, software, network, and personnel resources at the individual workstations of all employees. (p. 587)

FALSE IS operations management is concerned with the use of hardware, software, network, and personnel resources in the data centers (computer centers) of an organization.

14. Process control packages not only monitor, but automatically control, computer operations at large data centers. (p. 587)

TRUE

15. (p. 589) Today, few organizations still establish or enforce policies for the acquisition of hardware and software by end users and business units.

FALSE

Most organizations still establish and enforce policies for the acquisition of hardware and software by end users and business units.

16. (p. 591) Outsourcing IS/IT functions to skilled service providers is often a strategic approach to stretching strained budgets.

TRUE

17. (p. 591) Strategic use of an outsourcing approach to IS/IT functions can result in business growth without increased overhead.

TRUE

18. (p. 591) Outsourcing is usually not an option for smaller businesses.

FALSEOutsourcing can create opportunities for smaller businesses that might not otherwise be possible due to costs or geophysical constraints.

19. (p. 591) Supplementing an existing workforce with offshore support can allow for productivity 24 hours a day.

TRUE

20. (p. 592) Offshoring is often enabled by trade secrets and intellectual property, the transfer of which is never regulated nor taxed.

FALSE

The documentation and valuation of such things as trade secrets and intellectual property is quite difficult, but should be considered because such items may be regulated or taxed.

21. (p. 594) According to the text, the key to high quality information system performance is extensive and meaningful managerial and end user involvement.

TRUE

22. (p. 598) Whether you become a manager in a large corporation or the owner of a small business, you will deal in some way with people, products, or services whose origin is not from your home country.

TRUE

23. (p. 502) Many countries have rules regulating or prohibiting the transfer of data across their national boundaries.

TRUE

24. (p. 602) Some countries have reciprocal trade agreements that require a business to spend part of the revenue they earn in a country in that nation's economy.

TRUE

25. (p. 602) Today's advanced communication technologies have made communication in real time across the world's 24 time zones a non-issue.

FALSE

It is still difficult to communicate in real time across the world's 24 time zones.

26. (p. 602) Global IT managers must be sensitized to cultural differences before they are sent abroad or brought into a corporation's home country.

TRUE

27. (p. 603) An international business/IT strategy is multi-regional; a global perspective is region specific.

FALSE

An international business/IT strategy is region specific; a global perspective is multi-regional.

28. (p. 605) The explosive business use of the Internet, intranets, and extranets for electronic commerce has made such applications more feasible for global companies.

TRUE

29. Software packages must be purchased from the same vendor in order to be compatible in multiple countries. (p. 606)

FALSE

Software packages purchased in one country may be incompatible in other countries, even if purchased from the same vendor.

30. Internet usage and population statistics show that the North America region has the highest Internet penetration rate. (p. 608)

TRUE

31. The United States is having trouble getting cooperation from European nation-states when it comes to cyber legislation and law enforcement. (p. 609)

FALSE

European nation-states are cooperating with the United States in terms of cyber legislation and law enforcement.

32. According to the text case, the primary objective of the Convention on Cybercrime treaty is to break the bottlenecks in international cyber investigations. (p. 609)

TRUE

33. (p. 611) Most of the world has decided that restricting Internet access is a necessary public policy.

FALSE

Although some countries restrict Internet access, most of the world has decided that restricting Internet access is not a viable policy and would hurt their countries' opportunities for economic growth and prosperity.

34. (p. 611) Having a global system can mean that maintenance activities performed during the night shift in New York can cause midday service interruptions in Tokyo.

TRUE

35. (p. 611) Common definitions are hard to develop; a "sale" in the United States may be known as an "order booked," an "order scheduled," or an "order produced" in other countries.

TRUE

36. (p. 612) Global systems development teams make heavy use of the Internet, intranets, groupware, and other electronic collaboration technologies.

TRUE

37. (p. 606) Managing the technology infrastructure (also called the technology platform) is a very minor part of global IT management.

FALSE

Managing the technology is another major dimension of global IT management.

Multiple Choice Questions

38. (p. 580) Within an organization, managing the business/IT planning process so that IT is aligned with strategic business goals is the responsibility of:

A. The CIO
B. Both the CIO and the CEO
C. Both the CTO and the CEO
D. Both the CIO and the CSO

39. (p. 580) Within an organization, managing the development and implementation of new business/IT applications and technologies is the responsibility of:

A. The CIO
B. Both the CIO and the CEO
C. Both the CTO and the CEO
D. Both the CIO and the CTO

40. (p. 580) CIO and IT managers share responsibility for managing the work of IT professionals. In addition, they are responsible for managing the:

A. Hardware infrastructure
B. IT infrastructure of hardware, software, databases, and telecommunications networks
C. IT infrastructure of hardware and software
D. IT infrastructure of hardware, software, and human resources

41. (p. 585) All of the following changes have created an urgent need for centralization except:

A. The Internet boom inspired businesses to connect to multiple networks
B. Companies put essential applications on their intranets, without which their businesses could not function
C. Maintaining PCs on a network is very, very expensive
D. The number of qualified software programmers and PC repair technicians is dwindling

42. (p. 586) The decentralization of information services within an organization was prompted by which of the following?

A. The development of supercomputers
B. The development of microcomputers and distributed client/server networks at the corporate, department, and workgroup level
C. The development of mainframe computers and centralized computer centers
D. The development of telecommunications

43. (p. 586) The development of minicomputers and microcomputers accelerated which of the following trends?

A. Centralization of computer hardware and software
B. Downsizing
C. Strategic planning
D. Development of web portals

44. (p. 586) Systems integrators or facilities management companies are:

A. Independent subsidiaries of an organization that offer information-processing services to external organizations, as well as to their parent company
B. Companies that use information resource management techniques to manage the development of their information systems
C. Outside contractors that take over part or all of a company's information services operations
D. Companies using a hybrid of centralized and decentralized information systems.

45. (p. 586) According to the text, _____ is a key IT management responsibility if business/IT projects are to be completed on time, within budget, and meet design objectives.

A. hardware selection
B. network vulnerability
C. project management
D. employee recruiting and development

46. (p. 587) IS operations are a cost to the company. When a company uses system performance monitors and then allocates costs to user departments based on the information services rendered, the company is applying a(n) _____ system.

A. record keeping
B. outsourcing
C. chargeback
D. rebound

47. (p. 587) All of the following are common functions of a system performance monitor except:

A. Capturing computer operator keystrokes
B. Looking after the processing of computer jobs
C. Helping to develop a schedule of computer operations that can optimize computer system performance
D. Producing detailed statistics that are used for planning and control

48. (p. 588) All of the following are components of IT staff planning except:

A. Setting salary and wage levels
B. Recruiting and retaining qualified personnel
C. Determining pay periods
D. Evaluating job performance

49. A chief information officer (CIO):
(p. 588)

A. Directs day-to-day information services activities
B. Develops and administers training programs for information services personnel and computer users
C. Is expected to closely supervise the internal operations of the information services department, but has limited responsibility for interfacing with other departments
D. Has major responsibility for long-term information system planning and strategy

50. The chief information officer is a(n) _____ level IT manager.
(p. 588)

A. tactical
B. strategic
C. operational
D. departmental

51. According to the text, if you are second-in-command to the CIO or chief technology officer and have years of applications development experience, your next promotion should be to:
(p. 588)

A. COO
B. CEO
C. CIO
D. CTO

52. In many companies, technology management is the primary responsibility of the:
(p. 589)

A. COO
B. CEO
C. CIO
D. CTO

53. The _____ has a strong understanding of the issues related to protecting the data resources and information assets of the organization.
(p. 588)

A. COO
B. CSO
C. CIO
D. CTO

54. The _____ has problem-solving skills and a degree in information systems, excellent interpersonal skills, good technical skills, and an ability to apply problem-solving and critical-thinking skills to the design of new systems.
(p. 589)

A. Systems analyst
B. Practice manager
C. CIO
D. Team leader

55. (p. 589) Many companies have created _____ functions to support and manage end-user and workgroup computing.

A. customer relationship managers
B. information centers
C. user services
D. end-user focus groups

56. (p. 588) The _____ usually knows Java, Perl, C++, and Web services. He/she also has experience in systems architecture, and can design an Internet solution from concept through implementation.

A. e-commerce architect
B. practice manager
C. systems analyst
D. chief technology officer

57. (p. 589) Many people are employed in IT in a large company. A technical team leader would:

A. Be second in command to the CIO
B. Know Java, Perl, and Web services, and possess the ability to design an Internet solution from concept through implementation
C. A senior member of the technical team and has good communication, leadership, and project management skills
D. Have skills in marketing, staffing, budgeting, and building customer relationships

58. All of the following were listed in the text as primary reasons behind a company's decision to outsource except:
(p. 591)

A. Achieving a greater return on investment
B. Achieving flexible staffing levels
C. Focusing on core competencies
D. Centralizing software development

59. Which of the following is the number one reason that companies outsource?
(p. 590)

A. Reduce and control operating costs
B. Accelerate re-engineering benefits
C. Gain access to world-class capabilities
D. Share risks

60. What is the number one factor for successful outsourcing?
(p. 590)

A. Reducing and controlling operating costs
B. Understanding the company's goals and objectives
C. Commitment to quality
D. Sharing the risks

61. What is the number one factor for successful selection of an outsourcing vendor?
(p. 590)

A. Senior executive support and involvement
B. Gaining access to world-class capabilities
C. Commitment to quality
D. Sharing risks

62. What is the number one IT area being outsourced?
(p. 590)

A. Client/server services and administration
B. Applications development
C. End-user support
D. Maintenance and repair

63. All of the following are among the top 10 factors in vendor selection except:
(p. 590)

A. Commitment to quality
B. Price
C. End-user support
D. Cultural match

64. Which of the following is the least outsourced IT area?
(p. 590)

A. Maintenance and repair
B. Consulting and re-engineering
C. Network administration
D. Total IT outsourcing

65. The text defines "offshoring" as:
(p. 591)

A. Relocation of an organization's business processes to a lower-cost location, usually overseas
B. Relocation of an organization's business processes to another firm better qualified to handle those processes
C. Relocation of an organization's production, but not services, to a lower-cost location
D. Complete and total IT outsourcing

66. The text distinguishes between two types of "offshoring":
(p. 591)

A. Domestic and international
B. Production and services
C. Complete and partial
D. Internal and external

67. (p. 594) Senior management needs to be involved in critical business/IT decisions. Which of the following is not such a decision?

A. What security and privacy risks are acceptable?
B. How good do our IT services need to be?
C. Which hardware platform do we centralize on?
D. Who do we blame if an IT initiative fails?

68. (p. 594) Many companies have policies that require managers to be involved in IT decisions that affect their business units. This helps managers:

A. Improve the strategic customer value of information technology
B. Avoid IS performance problems in their business units and development projects
C. Monitor the problems of employee resistance and poor user interface design
D. See other opportunities for IT development

69. (p. 595) When a company experiences excessive technical and process standardization that limit the flexibility of business units, or frequent exceptions to the standards that increase costs and limit business synergies, this is often the result of senior management failing to answer the question:

A. Which IT capabilities should be companywide?
B. How much should be spent on IT?
C. Which business processes should receive our IT dollars?
D. Whom should we blame if an IT initiative fails?

70. (p. 595) When a company experiences a lack of focus, the IT unit can become overwhelmed as it tries to deliver many projects that may have little company-wide value or can't be implemented well simultaneously. This is often the result of senior management failing to answer the question:

A. Which IT capabilities should be companywide?
B. How much should be spent on IT?
C. Which business processes should receive our IT dollars?
D. Whom should we blame if an IT initiative fails?

71. (p. 595) What would senior management's role be in relation to the question "Whom do we blame if an IT initiative fails?"

A. Decide which IT capabilities should be provided centrally and which should be developed by individual businesses
B. Decide which features are needed on the basis of their costs and benefits
C. Lead the decision making on the trade-offs between security and privacy on one hand and convenience on the other
D. Assign a business executive to be accountable for every IT project, and monitor business metrics

72. (p. 595) What would senior management's role be in relation to the question "What security and privacy risks will we accept?"

A. Decide which IT capabilities should be provided centrally and which should be developed by individual businesses
B. Lead the decision making on the trade-offs between security and privacy on one hand and convenience on the other
C. Decide which features are needed on the basis of their costs and benefits
D. Assign a business executive to be accountable for every IT project, and monitor business metrics

73. The consequence of failing to establish how good IT services really need to be is:
(p. 595)

A. The company may fail to develop an IT platform that furthers its strategy, despite high IT expenditures
B. Excessive technical and process standardization limits the flexibility of business units
C. IT is overwhelmed with projects that have little companywide value
D. The company may pay for service options that, given its priorities, aren't worth the money

74. What is the consequence of failing to answer the question, how much should be spent on IT?
(p. 595)

A. The company may fail to develop an IT platform that furthers its strategy, despite high IT expenditures
B. Excessive technical and process standardization limits the flexibility of business units
C. IT is overwhelmed with projects that have little companywide value
D. The company may pay for service options that, given its priorities, aren't worth the money

75. According to the text, COBIT is:
(p. 596)

A. A methodology for determining the political structure of each country for IT operations
B. A popular methodology for developing complex global information systems
C. A popular IT governance approach that focuses on all aspects of the IT function throughout the organization
D. A method for evaluating the infrastructure capabilities for IT in the target country

76. COBIT stands for:
(p. 595)

A. Centralized Operations for Business Information Technologies
B. Compressed Operational BITs (Binary Digits)
C. Computerized Objectives and Internet Technologies
D. Control Objectives for Information and related Technology

77. According to the text case, all the following lessons were learned from the COBIT implementation at Blue Cross, except:
(p. 597)

A. Building in the controls makes the controls easier to sustain and it makes self-testing more efficient and effective
B. Developing appropriate controls should be left to the end users
C. It is best to build the controls into the process
D. If the controls are not built into the process, the area performing the self test may have to process data for a great many hours

78. According to the text, we seem to have reached a point where virtually every CIO is a(n):
(p. 598)

A. global CIO—a leader whose sphere of influence (and headaches) spans continents
B. global enterprise leader, capable of developing appropriate business and IT strategies for the global marketplace
C. global politician who takes on the cultural, political, and geoeconomic challenges that exist in the international business community
D. global technical expert, evaluating the infrastructure of the target country, including telephone and electricity transmission capabilities

79. According to the text, all global IT activities must be adjusted to take into account:
(p. 598)

A. Determining the political structure of each country of operations
B. Developing appropriate business and IT strategies for the global marketplace
C. The cultural, political, and geoeconomic challenges that exist in the international business community
D. Evaluating the infrastructure of the target country, including telephone and electricity transmission capabilities

80. According to the text, the first step in global information technology management should be:
(p. 598)

A. Determining the political structure of each country of operations
B. Developing appropriate business and IT strategies for the global marketplace
C. Outsourcing all manufacturing to the lowest-cost location
D. Evaluating the infrastructure of the target country, including telephone and electricity transmission capabilities

81. All of the following are major dimensions of global IT challenges except:
(p. 601)

A. Global business and IT strategies
B. Global business and IT application portfolios
C. Global IT platforms
D. Global software management

82. All of the following would be associated with a transnational e-business strategy (p. 603) except:

A. Global e-commerce and customer service
B. Global supply chain and logistics
C. Transparent manufacturing
D. Dissimilar systems and data

83. All of the following would be associated with a global e-business strategy except: (p. 603)

A. Global sourcing
B. Multiregional
C. Transparent manufacturing
D. Horizontal integration

84. All of the following would be associated with an international e-business strategy (p. 603) except:

A. Captive manufacturing
B. Global supply chain and logistics
C. Specific customers
D. Region specific

85. Which of the following would be associated with an international e-business strategy?
(p. 603)

A. Customer segmentation and dedication by region and plant
B. Global supply chain and logistics
C. Some cross regionalization
D. Horizontal integration

86. All of the following would be associated with a global e-business strategy except:
(p. 603)

A. Some cross regionalization
B. Global supply chain and logistics
C. Customer segmentation and dedication by region and plant
D. Horizontal integration

87. Which of the following would be associated with a transnational e-business strategy?
(p. 603)

A. Customer segmentation and dedication by region and plant
B. Horizontal integration
C. Some cross regionalization
D. Global supply chain and logistics

88. Which of the following is a business driver for global IT?
(p. 604)

A. Unique assembly line hardware
B. Isolated work unit software
C. Global collaboration
D. Regional employees

89. Most multinational companies have all of the following except:
(p. 604-605)

A. Global financial budgeting
B. Satellite-based communication systems
C. Office automation systems, such as fax and e-mail
D. Global cash management systems

90. Hardware choices are difficult in some countries because of _____.
(p. 606)

A. high prices
B. import restrictions
C. lack of documentation tailored to local conditions
D. All of the choices are correct.

91. All of the following are international network management issues except:
(p. 606)

A. Prohibiting transborder data flow
B. Improving the operational efficiency of networks
C. Dealing with multiple networks
D. Controlling data communication security

92. By connecting their businesses to the online infrastructure of the Internet, companies can generally do all of the following except:
(p. 608)

A. Expand their markets
B. Reduce communications and distribution costs
C. Improve their profit margins without massive outlays for new telecommunications facilities
D. Reduce the number of direct competitors

93. Which of the following world regions has the highest per capita Internet usage?
(p. 608)

A. Asia
B. Europe
C. North America
D. Latin America/Caribbean

94. All of the following are U.S.-EU data privacy requirements except:
(p. 609)

A. Notice of purpose and use of data collected
B. Redundant hardware and data backup systems
C. Access for consumers to their information
D. Adequate security, data integrity, and enforcement provisions

95. (p. 609) According to the text, many countries view the process of transborder data flows as violating their laws for all the reasons, except:

A. national sovereignty
B. privacy legislation
C. laws designed to protect the local IT industry from competition
D. anti-terrorist security precautions

96. (p. 610) According to the "Reporters Without Borders" organization, 45 countries restrict their citizen's Internet access. Which of the following countries allows no public access to the Internet?

A. China
B. North Korea
C. Cuba
D. Saudi Arabia

Fill in the Blank Questions

97. (p. 580) The CIO and the chief _____ officer have primary responsibility for managing the development and implementation of new business/IT applications and technologies.

technology

98. The CEO and the chief _____ officer have primary responsibility for
(p. 580) leading the business/IT planning process so that IT is aligned with strategic business goals.

information

99. The CIO and the _____ managers share responsibility for managing work
(p. 580) of IT professionals.

information technology

100. According to the text, taking a _____ approach means that matching
(p. 583) business needs takes precedence over commitment to technology platform choices and vendor homogeneity.

"best of breed"

101. According to the text, taking a _____ approach to technology may
(p. 583) sacrifice match-with-business needs for vendor homogeneity and technology platform choices.

conventional

102. The _____ approach to managing IT human resources is to develop
(p. 583) evolving workgroups that are organized around emerging IT-intensive business initiatives, with little explicit delegation of tasks.

best-of-breed

103. The _____ approach to managing IT human resources is to hire "best by position" personnel who bring specific IT expertise. (p. 583)

conventional

104. The shift toward _____ promoted a shift of databases and information specialists to the departmental level, and the creation of information centers to support end user and workgroup computing. (p. 586)

distributed client/server networks

105. _____ not only monitor, but automatically control, computer operations at large data centers. (p. 587)

Process control packages

106. Performance monitors enable "_____" data centers at some companies, where computer systems are operated unattended, especially after normal business hours. (p. 587)

lights out

107. The success or failure of an information services organization rests primarily on the quality of its _____. (p. 588)

people

108. _____, in broad terms, is the purchase of goods or services that were previously provided internally from third-party partners. (p. 590)

Outsourcing

109. _____ can be defined as a relocation of an organization's business processes, including production/manufacturing, to a lower-cost location, usually overseas. (p. 591)

Offshoring

110. Offshoring can be viewed in the context of either production offshoring or _____offshoring. (p. 591)

services

111. The growth of services offshoring in information systems is linked to the availability of large amounts of reliable and affordable _____ infrastructure. (p. 591)

communication

112. Whether you become a manager in a large corporation or the owner of a small business, you will deal in some way with people, products, or services whose origin _____. (p. 598)

is not from your home country

113. Geoeconomic challenges in global business and IT refer to the effects of _____ on the economic realities of international business activities.
(p. 602)

geography

114. Global IT managers must be _____ to cultural differences before they are sent abroad or brought into a corporation's home country.
(p. 602)

sensitized

115. Many companies are moving away from international or global strategies toward a _____ strategy, where the company's business depends heavily on its information systems and Internet technologies to help integrate global business activities.
(p. 603)

transnational

116. According to the text case, the primary objective of the _____ treaty is to break the bottlenecks in international cyber investigations.
(p. 609)

Convention on Cybercrime

117. Common data _____ are necessary for sharing data among the parts of an international business.
(p. 611)

definitions

118. In a _____ approach, an entire system may be assigned for development to a particular subsidiary based on its expertise in the business or technical dimensions needed for successful development.
(p. 611)

centers of excellence

119. According to Reporters Without Borders, there are _____ countries that restrict their citizens' access to the Internet.
(p. 610)

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120. The challenges and conflicts of developing a global e-business system takes place in an environment that promotes _____ and _____ of a system by local end users.
(p. 611)

involvement; ownership

121. Having a global system can mean that maintenance activities performed during the night shift in New York can cause midday _____ in Tokyo.
(p. 611)

service interruptions