Test Bank Questions (20 Questions)

IT342: Enterprise Systems

Drawn from online publisher resources

* Dunn, C.L., Cherrington, J.O., & Hollander, A. (2005). *Enterprise information systems: A pattern-based approach* (3rd Ed.). McGraw-Hill/Irwin. ISBN: 9780072404296

**Chapter 3**

1. The supply chain typically ends with the
	1. Wholesaler
	2. Customer
	3. Vendor
	4. Retailer
	5. Production Employee
2. "Margin" in Porter's value chain is:
	1. The value or usefulness obtained when a product or service is purchased
	2. The set of activities associated with transforming inputs into outputs
	3. Firm infrastructure
	4. The cost of resources given up to obtain other resources
	5. The difference between value and cost
3. Which of the following is one of Porter's Support Value Activities?
	1. Procurement
	2. Operations
	3. Inbound logistics
	4. Outbound logistics
	5. None of the above; All of the above are primary activities
4. Which of the following is one of Porter's Primary Value Activities?
	1. Technological development
	2. Human resource management
	3. Firm infrastructure
	4. Inbound logistics
	5. None of the above; All of the above are support value activities
5. Employees of Brymer Bridge Design (BBD) can elect to have $50 per month deducted from their paychecks to pay for dental insurance. BBD transmits the insurance premiums to DentaRight Dental Insurance (DDRI). When an insured BBD employee visits a participating dentist, the employee pays only half the bill. The remaining half is paid by DDRI. Which of the following statements best describes why the dental benefits paid by DDRI to the dentists should not be included on BBD's REA Value System Model?

	1. Payment of employee benefits such as dental insurance falls within the scope of BBD's conversion cycle, and conversion cycles are typically not depicted on value system models.
	2. Payment of the dental benefits relates to the resource exchanges between DDRI and its suppliers, therefore it is outside the scope of BBD's value system model.
	3. Payment of the dental benefits by DDRI to the dentists should be included on BBD's value system model.
	4. Payment of dental benefits is an event, not a resource exchange; therefore it should not appear on a value system level model.
	5. Payment of dental benefits does not involve cash flow, therefore it should not appear on a value system level model.
6. Regardless of the type of goods or services provided, each organization typically includes these three business processes/transaction cycles:
	1. Inventory, Wage Payments, and Sales
	2. Payments, Collections, and Debt Financing
	3. Acquisition/Payment, Conversion, and Sales/Collection
	4. Inputs, Outputs, and Returns
	5. Financing, Wage Payments, and Inventory
7. The causal relationship between a give event and a take event is a \_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_ is defined as the inflow or outflow of a resource.
	1. Difference relationship; Process
	2. Duality relationship; Stockflow
	3. Conversion relationship; Timing
	4. Value Chain relationship; Resource flow
	5. Stockflow relationship; Duality
8. Which of the following are economic increment events?
	1. Work-In-Process Jobs
	2. Material Issues
	3. Labor Operations
	4. Machine Operations
	5. Cash Disbursements
9. According to Michael Porter, which of the following activities support the entire value chain?
	1. Firm infrastructure
	2. Technological development
	3. Operations
	4. Procurement
	5. Outbound logistics
10. In the REA Value System Model, the enterprise being modeled is represented as a(n):
	1. Arrow
	2. Square or Rectangle
	3. Triangle
	4. Circle
	5. Diamond
11. Resource flow connections between the internal business processes (transaction cycles) of an enterprise are most commonly illustrated in:
	1. REA Value System models
	2. REA Value Chain models
	3. REA Business Process models
	4. REA Task models
	5. None of the above
12. What is likely the most appropriate label to put on the arrow going into the financing process for this partial value chain level model for a privately held pharmacy?


	1. Loan
	2. Common Stock
	3. Cash
	4. Pharmaceuticals
	5. Derivatives

13) TF Examining the value system level of a firm includes thinking about the enterprise’s mission and strategy. True.

14) TF Everything an enterprise does should create value for its employees according to Michael Porter. False.

15) TF Inbound logistics are activities associated with collecting, storing, and physically distributing the products or services. False.

16) TF The causal relationship between a give event and a take event is a inflow relationship. False.

17) TF Duality relationships are the glue that binds a firm’s separate economic events together into rational economic processes. True.

18) What is stockflow?

Stockflow is defined as the inflow or outflow of a resource. Stockflow relationships exist between give events and resources (these stockflows are outflows) and between take events and resources (these stockflows are inflows).

19) What is an enterprise’s margin as defined by Michael Porter?

Porter computes an organization’s margin as the difference between value and cost.

20) Primary value activities consist of the events that create customer value and provide organization distinctiveness in the marketplace. They are the critical activities in running a business. What are support value activities?

Support value activities facilitate accomplishing the primary activities.