Test Bank Questions (20 Questions)

IT342: Enterprise Systems

Drawn from online publisher resources

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**Chapter 11**

1. Most of the time the conversion process involves the manufacture or production of:
   1. Work in Process
   2. Finished Goods
   3. Raw Materials
   4. Labor
   5. Overhead
2. Which type of manufacturing process involves the production of an established number of product units, or particular jobs such as car repair, the printing of a customized wedding invitation, or a consulting engagement?
   1. Continuous processes
   2. Established run processes
   3. Batch processes
   4. Production employee processes
   5. Ongoing run processes
3. Which kind of relationship identifies the "who" for each event in a conversion process?
   1. Duality
   2. Stockflow
   3. Fulfillment
   4. Participation
   5. Reservation
4. Which kind of relationship in a conversion cycle reveals "why" the enterprise engages in the economic events of the cycle?
   1. Duality
   2. Stockflow
   3. Fulfillment
   4. Participation
   5. Reservation
5. A relationship in which an enterprise trades one or more resources for one or more different resources is called a(n) \_\_\_\_\_\_\_ duality relationship.
   1. Transformation
   2. Trade
   3. Exchange
   4. Swap
   5. Transfer
6. Each of the following is an economic decrement event in the conversion cycle EXCEPT the:
   1. Production run
   2. Material issuance
   3. Labor operation
   4. Machine operation
   5. All of the above are economic decrement events.
7. What form is often used in a conversion cycle to document the actual use of raw materials?
   1. Bill of lading
   2. Job time ticket
   3. Bill of materials
   4. Move ticket
   5. Packing slip
8. Which of the following is FALSE regarding labor operations in a conversion process?
   1. Labor operations are the actual using up of the available labor.
   2. Labor is a resource-type entity set that represents a list of the types of labor that can be performed in the labor operations.
   3. When they are measured and recorded, labor operations are usually documented on move tickets, which serve as an identifier for the labor operations event.
   4. The labor operation event is an economic decrement event.
   5. All of the above are true statements.
9. The REA ontology label for a relationship in an enterprise conversion cycle that connects the entities machine and machine operation, whereby a machine does not get completely used up by a machine operation is:
   1. Use stockflow
   2. Consume stockflow
   3. Machine outflow
   4. Production inflow
   5. Operating outflow
10. Which relationship is the equivalent of the duality relationship, but for commitment events instead of economic events?
    1. Linkage
    2. Reciprocal
    3. Custody
    4. Association
    5. Reservation

11) The duality relationship connects \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, machine operations, and \_\_\_\_\_\_\_\_\_\_\_\_\_ that use up the inputs to the production runs that produce the finished goods.

1. raw material issuances; labor operations
2. bill of materials; equipment
3. production orders; raw materials
4. production order documents; material issuances
5. equipment; labor types

12) Which of the following are examples of common information needs addressed by the stockflow relationship?

1. What resources or resource types were increased or decreased by an economic event?
2. What quantity of a resource or resource type was increased or decreased by an economic event?
3. What dollar value of a resource or resource type was increased or decreased by an economic event?
4. When did an event increase or decrease a specific resource or resource type?
5. All of the above.

13) TF. The pair machine operation and machine is typically found in a stockflow relationship in the conversion process. True.

14) TF. False.

15) TF. A production order is the event that reflects the commitment of the enterprise to produce one or more finished goods at a future point in time. True.

16) TF. The most common resources and resource types in the conversion process are raw materials inventory, labor type, machinery, and finished goods inventory. True

17) TF. The terms *labor* and *labor operations* are synonymous. False.

18) Short answer. What is the difference between a materials requisition and a purchase requisition?

A materials requisition is a commitment event where the inventory clerk commits to the production supervisor to transfer materials from the materials warehouse to the production floor. A purchase requisitions indicates the need to acquire the raw materials from an external source.

19) Short answer. Put *conversion process* in your own words.

The conversion process includes the business events associated with converting raw in- puts such as materials, labor, machinery, and other fixed assets into finished outputs.

20) Short answer. What is the difference between batch processes and continuous processes?

The main difference between batch processes and continuous processes is that for batch processes (car repair, wedding invitation design, consulting engagement), natural starting and ending points exist for assigning costs to the production run, whereas for continuous processes (production of cement, flour, beer, steel), artificial starting and ending points must be created for cost assignment purposes.