02

Student: _____

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

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

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

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

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

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

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

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

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

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

11. Measuring the amount of website traffic is the best way to determine a website's success.
True   False

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40. Which of the following is not included in the decision-making process?
    A. Data collection
    B. Solution benchmarking
    C. Solution generation
    D. Solution test

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

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

43. When evaluating the six-step decision making process, what occurs during the solution selection step?

    A. The process will begin again if the decisions made were incorrect.
    B. The problem is defined as clearly and precisely as possible.
    C. The details are presented of every solution possible, including ideas that seem far-fetched.
    D. The solution that best solves the problem is selected.

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

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

46. Which of the following represents the three different levels of a company pyramid from the top to the bottom?
    A. Managerial—strategic—operational
    B. Strategic—managerial—operational
    C. Operational—managerial—strategic
    D. Strategic—operational—managerial

47. Which of the following would you include as decisions and responsibilities typically found at the managerial level of a company?
    A. Monthly plans
    B. Monthly budgets
    C. Weekly schedule
    D. All of these

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

49. Data collection, solution generation, and solution implementation are all concepts associated with the _____.
    A. The six-step problem-solving process
    B. The six-step decision-making process
    C. The four-step problem-solving process
    D. The four-step decision-making process

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

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

52. Which of the following is not considered a part of decision making at the managerial level?
    A. Developing overall business goals and objectives
    B. Creating a short-term budget
    C. Allocating resources to a department
    D. Monitoring performance of a project team

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

54. The level where managers develop overall business strategies and monitor the performance of the organization and the competitive business environment is the _____ level.
    A. Operational
    B. Strategic
    C. Managerial
    D. Communications

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

79. Which term is used to describe the ease with which people perform transactions and/or find information?

    A. Usability
    B. Customer satisfaction
    C. Financial
    D. Conversion rates

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

97. What can a model accomplish?
   A. Calculate risks
   B. Understand uncertainty
   C. Manipulate time
   D. All of these

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

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

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

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

102. What are various commercial applications of artificial intelligence?
   A. Drill-down
   B. Sensitivity analysis
   C. Digital dashboard
   D. Intelligent system

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

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

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

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

107. Which industry has been relying on neural network technology for more than two decades?
   A. Food service
   B. Hotels
   C. Finance
   D. Health care

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

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

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

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

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

113. What are the three primary types of management information systems available to support decision making across the company levels?
    A. Transaction processing systems, decision support systems, executive information systems
    B. Analytical information, decision support systems, executive information systems
    C. Transaction processing systems, drill-down systems, expert systems
    D. What-if analysis, sensitivity analysis, goal-seeking analysis

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

115. What is the flow that a systems thinking approach using a TPS would follow?
    A. Streamlining (input)—CRUD, calculate (process)—reports (output)
    B. Source documents (input)—optimization analysis (process)—(feedback)—(output)
    C. Source documents (input)—CRUD, calculate (process)—reports (output)—(feedback)
    D. Selling documents (input)—cycle time (process)—reports (output)—(feedback)

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

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

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

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

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

121. Which of the following represent the four main DSS analysis techniques outlined in the chapter?
    A. What-if analysis, sensitivity analysis, goal-seeking analysis, optimization analysis
    B. Workflow analysis, sensitivity analysis, growth analysis, organizational analysis
    C. What-if analysis, structured analysis, goal-seeking analysis, optimization analysis
    D. What-if analysis, sensitivity analysis, growth analysis, organizational analysis

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

123. What is the DSS analysis that checks the impact of a change in a variable or assumption on the model?

    A. Optimization analysis
    B. Goal-seeking analysis
    C. Sensitivity analysis
    D. What-if analysis

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

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

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

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

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

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

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

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

132. Which of the following is offered by a digital dashboard?
    A. Consolidation
    B. Drill-down
    C. Slice-and-dice
    D. All of these

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

155. Which of the following departments is primarily responsible for promoting discounts, attracting customers, and communicating marketing campaigns?
    A. Accounting and finance
    B. Marketing and sales
    C. Operations management
    D. Human resources

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

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

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

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

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

161. Which of the following represents business processes you would find in the human resources department?

   A. Hiring employees
   B. Enrolling employees in benefit plans
   C. Tracking vacation and sick time
   D. All of these

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

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

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

165. When considering the five steps of the order-to-delivery business process, creating campaigns and checking inventory are included in which of the following?
   A. Step 4—sales
   B. Step 1—marketing
   C. Step 3—operations management
   D. Step 2—customer service

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

181. Which of the following examples indicates when the time is right to initiate a business process change?

    A. The market being served makes a distinctive shift.
    B. The company is following industry benchmarks on its core processes.
    C. The company strategically passes or leapfrogs the competition on key decisions to regain competitive advantage.
    D. All of these.

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

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

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

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

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

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

188. Which of the following represents an example of a technology that actually disrupts and slows workflow?

   A. Email
   B. Twitter
   C. Facebook
   D. All of these

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

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

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

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

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

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

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

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

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

_____

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

_____

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

_____

200. The president and vice president of a company are typically found in the _____ level of the business structure.

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

   _____

214. Using systems thinking, we can see that the inputs for a transaction processing system are _____ documents, the original transaction record.

   _____

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

   _____

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

   _____

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

   _____

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

   _____

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

   _____

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

   _____

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

   _____

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

   _____

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

   _____

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

   _____

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

   _____

226. A(n) _____ is a simplified representation or abstraction of reality.

   _____

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

   _____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

_____

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

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

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

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

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

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

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

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

02 Key

1. One of the most important and challenging question confronting managers today is how to lay the foundation for tomorrow's success while competing to win in today's business environment.
    TRUE

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

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

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

3. Operational decisions or semistructured decisions arise in situations where established processes offer potential solutions.
    FALSE

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

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

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

5. At the strategic decision-making level, employees develop, control, and maintain core business activities.
   FALSE

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

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

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

7. Key performance indicators can focus on external and internal measurements.
   TRUE

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

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

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

9. Benchmarks are baseline values the system seeks to attain.
   TRUE

   Benchmarks are baseline values the system seeks to attain.

10. Effectiveness MIS metrics include throughput, transaction speed, and system availability.
    FALSE

    Efficiency MIS metrics include throughput, speed, and availability.

11. Measuring the amount of website traffic is the best way to determine a website's success.
    FALSE

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

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

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

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

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

14. Sensitivity analysis, what-if analysis, optimization analysis, and market basket analysis are the common DSS analysis techniques.
FALSE

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

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

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

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

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

17. The manipulation of information to create business intelligence in support of strategic decision making is referred to as OLTP, or online transaction processing.
FALSE

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

18. Intelligent systems are various commercial applications of artificial intelligence.
TRUE

Intelligent systems are various commercial applications of artificial intelligence

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

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

20. Investment companies use genetic effectiveness metrics to help in trading decisions.
FALSE

Investment companies use genetic algorithms to help in trading decisions.

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

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

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

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

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

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

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

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

25.   Strategic planning is a customer-facing business process.
       FALSE

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

26.   Product delivery is a customer-facing business process.
       TRUE

       Product delivery is a customer-facing business process.

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

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

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

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

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

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

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

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

31. Business processes should never drive MIS choices and should be based on business strategies and goals.
     FALSE

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

32. Redundancy occurs when a task or activity is never repeated.
     FALSE

     Redundancy occurs when a task or activity is unnecessarily repeated.

33. Business process reengineering is the analysis and redesign of workflow within and between enterprises.
TRUE

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

34. Business process management systems evaluate and improve processes that include both person-to-person workflow and system-to-system communications.
TRUE

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

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

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

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

Analysis processing system is not a type of organizational IS.

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

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

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

    We learn in Chapter 2 that to achieve competitive advantages, managers must be able to make decisions and be able to forecast future business needs and requirements.

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

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

40. Which of the following is not included in the decision-making process?
    A. Data collection
    B. Solution benchmarking
    C. Solution generation
    D. Solution test

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

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

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

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

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

43. When evaluating the six-step decision making process, what occurs during the solution selection step?

A. The process will begin again if the decisions made were incorrect.
B. The problem is defined as clearly and precisely as possible.
C. The details are presented of every solution possible, including ideas that seem far-fetched.
D. The solution that best solves the problem is selected.

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

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

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

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

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

46. Which of the following represents the three different levels of a company pyramid from the top to the bottom?
    A. Managerial—strategic—operational
    B. Strategic—managerial—operational
    C. Operational—managerial—strategic
    D. Strategic—operational—managerial

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

47. Which of the following would you include as decisions and responsibilities typically found at the managerial level of a company?
    A. Monthly plans
    B. Monthly budgets
    C. Weekly schedule
    D. All of these

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

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

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

49. Data collection, solution generation, and solution implementation are all concepts associated with the _____.
A. The six-step problem-solving process
B. The six-step decision-making process
C. The four-step problem-solving process
D. The four-step decision-making process

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

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

A structured decision involve situations where established processes offer potential solutions.

51. Review the following statements. Which one does not represent an example of a structured decision?

A. Reordering inventory
B. Deciding to enter a new market
C. Creating the employee weekly staffing schedule
D. Creating the employee weekly production schedule

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

52. Which of the following is not considered a part of decision making at the managerial level?
   A. Developing overall business goals and objectives
   B. Creating a short-term budget
   C. Allocating resources to a department
   D. Monitoring performance of a project team

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

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

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

54. The level where managers develop overall business strategies and monitor the performance of the organization and the competitive business environment is the _____ level.
   A. Operational
   B. Strategic
   C. Managerial
   D. Communications

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

    One CSF can have several KPIs.

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

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

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

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

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

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

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

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

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

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

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

A common external KPI is market share.

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

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

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

Todd would use ROI as an internal KPI.

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

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

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

Efficiency MIS metrics measure throughput, speed, and availability.

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

Effectiveness MIS metrics measure customer satisfaction.

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

"Doing things right" addresses efficiency.

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

"Doing the right things" addresses effectiveness.

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

    Usability is an effectiveness MIS metric.

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

    Web traffic is an efficiency MIS metric.

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

    This is the definition of usability.

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

This is the definition of customer satisfaction.

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

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

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

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

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

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

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

    When analyzing the efficiency and effectiveness metrics chart, the four examples of common types of effectiveness metrics are (1) usability, (2) customer satisfaction, (3) conversion rates, and (4) financial.

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

    A. Customer satisfaction metrics
    B. Efficiency metrics
    C. Effectiveness metrics
    D. Benchmarking metrics

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

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

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

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

   Within the efficiency metrics, throughput is the amount of information that can travel through a system at any point in time.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Processing is OLAP for executives and OLTP for analysts.

97. What can a model accomplish?
A. Calculate risks
B. Understand uncertainty
C. Manipulate time
D. All of these

A model can do All of these.

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

This is the definition of consolidation.

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

This is the definition of drill-down.

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

This is the definition of slice-and-dice.

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

    This is the definition of digital dashboards.

102. What are various commercial applications of artificial intelligence?
    A. Drill-down
    B. Sensitivity analysis
    C. Digital dashboard
    D. Intelligent system

    This is the definition of intelligent systems.

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

    This is the definition of neural network.

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

    Expert systems are the most common.

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

This is the definition of intelligent agent.

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

They are all complex adaptive systems and thus share some characteristics.

107. Which industry has been relying on neural network technology for more than two decades?
A. Food service
B. Hotels
C. Finance
D. Health care

Finance has been relying on neural network technology for more than two decades.

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

Fuzzy logic systems assign values of 0 and 1 to vague and ambiguous information.

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

        A simplified representation or abstraction of reality is a model.

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

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

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

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

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

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

113. What are the three primary types of management information systems available to support decision making across the company levels?
    A. Transaction processing systems, decision support systems, executive information systems
    B. Analytical information, decision support systems, executive information systems
    C. Transaction processing systems, drill-down systems, expert systems
    D. What-if analysis, sensitivity analysis, goal-seeking analysis

    The three primary types of management information systems available to support decision making across the company levels are (1) transaction processing systems, (2) decision support systems, and (3) executive information systems.

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

    A transaction processing system (TPS) is the basic business system that assists operational-level analysts to make structured decisions. The most common examples of a TPS include (1) a company payroll system, (2) an operational accounting system, and (3) an order entry system. Example B is an example of a DSS or decision support system.

115. What is the flow that a systems thinking approach using a TPS would follow?
A. Streamlining (input)—CRUD, calculate (process)—reports (output)
B. Source documents (input)—optimization analysis (process)—(feedback)—(output)
C. Source documents (input)—CRUD, calculate (process)—reports (output)—(feedback)
D. Selling documents (input)—cycle time (process)—reports (output)—(feedback)

A transaction processing system, or TPS, is the basic business system that assists operational-level analysts to make structured decisions. An example of the process of a systems thinking utilizing a TPS follows this flow is (1) source documents (input), (2) CRUD, calculate, summarize (process), (3) reports (output), and (4) feedback.

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

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

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

Examples of analytical information are trends, sales, product statistics, and future growth projections. Managers use analytical information when making important semistructured decisions.

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

   Decision support systems model information using OLAP, which provides assistance in evaluating and choosing among different courses of action. Examples include (A) an insurance company using DSSs to gauge risk of providing insurance to drivers who have imperfect driving records, and (B) and (D) a medical doctor or dentist may enter symptoms into a DSS to aid them in diagnosing and treating patients.

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

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

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

   When viewing systems thinking, source documents are the original transaction records. Source documents for a medical doctor's payroll system, for example, would include (1) employee time sheets, (2) employee benefit reports, and (3) wage rates.

121. Which of the following represent the four main DSS analysis techniques outlined in the chapter?
A. What-if analysis, sensitivity analysis, goal-seeking analysis, optimization analysis
B. Workflow analysis, sensitivity analysis, growth analysis, organizational analysis
C. What-if analysis, structured analysis, goal-seeking analysis, optimization analysis
D. What-if analysis, sensitivity analysis, growth analysis, organizational analysis

The four main DSS analysis techniques outlined in the chapter are (1) what-if analysis, (2) sensitivity analysis, (3) goal-seeking analysis, and (4) optimization analysis.

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

Sensitivity analysis is a special case of what-if analysis—the study of the impact on other variables when one variable is changed repeatedly. For example, changing revenue in small increments to determine its effects on other variables would help a manager understand the impact of various revenue levels on other decision factors.

123. What is the DSS analysis that checks the impact of a change in a variable or assumption on the model?

A. Optimization analysis
B. Goal-seeking analysis
C. Sensitivity analysis
D. What-if analysis

A what-if analysis checks the impact of a change in a variable or assumption on the model.

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

Online transaction processing (OLTP) is the capturing of transaction and event information using technology to (1) process the information according to defined business rules, (2) store the information, and (3) update existing information to reflect the new information. It is used at the operational level and to support structured decisions. Online analytical processing (OLAP) is the manipulation of information to create business intelligence in support of strategic decision making. It is used at the managerial level and to support semistructured decisions.

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

An optimization analysis finds the optimum value for a target variable by repeatedly changing other variables, subject to specified constraints. By changing revenue and cost variables in an optimization analysis, managers can calculate the highest potential profits.

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

A goal-seeking analysis works in reverse to what-if and sensitivity analysis and finds the inputs necessary to achieve a goal such as a desired level of output.

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

An EIS, or an executive information system, is a specialized DSS that supports senior-level executives and unstructured, long-term, nonroutine decisions requiring judgment, evaluation, and insight.

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

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

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

A DSS (decision support system) differs from an EIS (executive information system) primarily because an EIS requires data from external sources to support unstructured decisions, where a DSS typically uses internal sources to support semistructured decisions.

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

Visualizations produce graphical displays of patterns and complex relationships in large amounts of data.

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

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

132. Which of the following is offered by a digital dashboard?
A. Consolidation
B. Drill-down
C. Slice-and-dice
D. All of these

Digital dashboards offer (1) consolidation, (2) drill-down, and (3) slice-and-dice capabilities.

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

    Examples of potential features included in a dashboard designed for a manufacturing team include (1) a hot list of key performance indicators, refreshed every 15 minutes; (2) a running line graph of planned versus actual production for the past 24 hours; (3) a table showing actual versus forecasted product prices and inventories; (4) a list of outstanding alerts and their resolution status; and (5) a graph of stock market prices.

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

    Slice-and-dice is the ability to look at information from different perspectives.

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

    Consolidation is the aggregation of data from simple roll-ups to complex groupings of interrelated information.

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

Drill-down enables users to view details, and details of details, of information.

137. Van Lines Inc. is a large corporation operating in all 50 states. Jim Poulous is the regional manager overseeing the western division, which includes Utah, Colorado, Idaho, Montana, Wyoming, and Nevada. Jim receives data from his managers in each state, which he loads into his digital dashboard for analysis of his entire western division. What digital dashboard capability is Jim primarily using?

A. Drill-down
B. Slice-and-dice
C. Intelligent system
D. Consolidation

Consolidation is the aggregation of data from simple roll-ups to complex groupings of interrelated information. For example, data for different sales regions can then be rolled up to a regional level.

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

The ultimate goal of AI is to build a system that can mimic human intelligence.

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

Intelligent systems are various commercial applications of artificial intelligence. They perform numerous business functions: (1) performed tasks boost productivity in factories by monitoring equipment and signaling when preventive maintenance is required; (2) at Manchester Airport, the robot cleaner alerts passengers to security, nonsmoking areas and cleans the floors daily; (3) Shell Oil's Smart Pump keeps drivers in their cars, while the robot pumps gas; (4) Matsushita's courier robot navigates hospital hallways, delivering files and supplies; and (5) the Firefighter Robot extinguishes flames at chemical plants.

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

The five most familiar AI systems are (1) expert systems, (2) neural networks, (3) genetic algorithms, (4) intelligent agents, and (5) virtual reality. Consolidation is a category of a digital dashboard.

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

A system that uses computerized advisory programs to imitate the reasoning processes of experts in solving difficult problems is an expert system.

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

The finance industry is a veteran in the use of neural networks to emulate the way the human brain works by analyzing large quantities of information to establish patterns and characteristics in situations where the logic or rules are unknown.

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

Neural networks' many features include (1) learning and adjusting to new circumstances on their own, (2) learning and adjusting to new circumstances on their own, (3) functioning without complete or well-structured information, (4) coping with huge volumes of information with many dependent variables, and (5) analyzing nonlinear relationships in information.

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

mathematical method of handling imprecise or subjective information is fuzzy logic.

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

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

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

    Biomimicry is the process of learning from ecosystems and adapting their characteristics to human and organization situations.

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

    Intelligent agent is a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users.

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

The advantages to working virtually are increases in worker productivity; decreases in real estate expenses for the company; and fewer cars on the roads, thus alleviating the congested roadways. Disadvantages include fear among workers that they will jeopardize their careers by working from home; the inability of some workers to stay productive; and the tendency for virtual workers to feel alone, secluded, and deprived of vital training and mentoring.

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

The artificial intelligence system that is an optimizing system that can find and evaluate solutions with many more possibilities, faster and more thoroughly than a human is genetic algorithm.

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

Virtual reality a computer-simulated environment that can be a simulation of the real world or an imaginary world. It is a fast-growing area of AI that had its origins in efforts to build more natural, realistic, multisensory human-computer interfaces.

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

An intelligent agent that utilizes a multi-agent system includes (1) a cargo transport system, (2) book distribution centers, (3) the video game market, and (4) and a flu epidemic; they are all complex adaptive systems.

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

Executive information systems are utilizing artificial intelligence to support unstructured strategic decision making.

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

Artificial Intelligence simulates human thinking and behavior such as the ability to reason and learn. Its ultimate goal is to build a system that can mimic human intelligence.

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

Samples of business processes for the marketing and sales division of a company include (1) promoting of discounts, (2) communicating marketing campaigns, (3) attracting customer, and (4) processing sales.

155. Which of the following departments is primarily responsible for promoting discounts, attracting customers, and communicating marketing campaigns?
A. Accounting and finance
B. Marketing and sales
C. Operations management
D. Human resources

The marketing and sales division is responsible for the business processes of promoting of discounts, communicating marketing campaigns, attracting customers, and processing sales.

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

Samples of business processes for the operations management division of a company include (1) ordering inventory, (2) creating production schedules, and (3) manufacturing goods.

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

Most business processes are cross-functional or cross-department processes that span the entire organization. The process of "order to delivery" focuses on the entire customer order process across functional departments. Another example is "product realization," which includes not only the way a product is developed, but also the way it is marketed and serviced. Other cross-functional business processing are taking a product from concept to market, acquiring customers, loan processing, providing post-sales service, claim processing, and reservation handling.

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

The accounting and finance division in a company creates financial statements, pays the accounts payables, and collects accounts receivables. All of these processes are business-facing processes.

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

Loan processing for a bank, claims processing for an insurance company, reservation processing for a hotel, and baggage handling for an airline are all examples of industry-specific customer-facing processes.

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

Order processing, customer service processing, sales processing, customer billing processing, and order shipping processing are all customer-facing processes.

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

Some sample business processes included within the human resources division of a company include (1) hiring employees, (2) enrolling employees in health care or other benefit plans, and (3) tracking vacation and sick time.

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

Customer-facing processes, also called front-office processes, result in product service received by and organization's external customer. Business-facing processes, also called back-office processes, are invisible to the external customer but essential to the effective management of the business.

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

    Business-facing processes, also called back-office processes, are invisible to the external customer but essential to the effective management of the business; they include goal setting, day-to-day planning, giving performance feedback and rewards, and allocating resources.

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

    Customer-facing processes result in a product or service received by an organization's external customer and include fulfilling orders, communicating with customers, sending out bills, and marketing information.

165. When considering the five steps of the order-to-delivery business process, creating campaigns and checking inventory are included in which of the following?
    A. Step 4—sales
    B. Step 1—marketing
    C. Step 3—operations management
    D. Step 2—customer service

    When considering the five steps of the order-to-delivery business process, step 1 is marketing, where the business creates campaigns and checks inventory.

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

Most business processes are cross-functional or cross-departmental processes and span the entire organization. The process of "order to delivery" focuses on the entire customer order process across functional departments.

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

Sample business processes within the operational management division of a company include (1) ordering inventory, (2) creating production schedules, and (3) manufacturing goods.

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

Business processes should drive technology choices.

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

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

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

When considering the business process modeling chart, Jessica is taking part in the industry-specific customer-facing processes depicted in the example.

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

The business-facing processes are (1) strategic planning, (2) tactical planning, (3) budget forecasting, (4) training, and (5) purchasing raw material.

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

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

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

The To-Be process model approach ensures that the process is fully and clearly understood before the details of a process solution are decided upon.

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

The business process modeling usually begins with a functional process representation. The differences between the two models is that the As-Is process model begins with what the process problem is, and the To-Be process model displays how the problem will be solved.

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

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

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

The As-Is process model has the primary goals to simplify, eliminate, and improve the processes by defining the most efficient and effective process.

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

The primary goals of the As-Is and the To-Be process models is to determine what the problem is and how to solve the problem.

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

   Automation typically occurs during operational business process improvement.

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

   Streamlining typically occurs during managerial business process improvement.

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

   Reengineering typically occurs during strategic business process improvement.

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

The three conditions that indicate the time is right to initiate a business process change are (1) there has been a pronounced shift in the market the process was designed to serve; (2) the company is markedly below industry benchmarks on its core processes; and (3) to regain competitive advantage, the company must leapfrog competition on key dimensions.

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

BPR in the extreme assumes the current process is irrelevant, broken, or overhauled.

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

The business process improvement attempts to understand and measure the current process and make performance improvements accordingly.

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

   Automation increases efficiency and effectiveness, while reducing head count, which in turn reduces the overall operational costs.

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

   Several factors can accelerate the need for a company to make business improvement processes. The most prevalent factor by far is technology.

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

   The factor to improving the managerial level business processes is through streamlining, which improves business process efficiencies simplifying or eliminating unnecessary steps.

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

Bottlenecks occur when resources reach full capacity and cannot handle any additional demands; they limit throughput and impede operations.

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

The biggest problem with technology is some systems can really interfere and slow down the workflow, including email, Facebook, Twitter, and many social media sites, to name a few.

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

Automating a business process that contains bottlenecks or redundancies will magnify or amplify theses problems if they are not corrected first.

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

        FedEx is a great example of a real life company that created a competitive advantage through
        combining MIS and traditional distribution and logistics processes.

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

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

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

        Changing business processes with MIS outlines how to improve the three levels of business processes,
        which include operational, managerial, and strategic. From operational to strategic, the three major
        improvement strategies are automation—streamlining—reengineering.

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

The four main steps in the business process reengineering model include (1) set project scope, (2) study competition, (3) create new processes, and (4) implement solution.

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

To create value for the customer is the leading reason a company would implement a BPR strategy, and MIS often plays an important enabling role.

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

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

196. _____ decisions are considered operational and involve situations where established processes offer potential solutions.
Structured

197.   The typical structure of a business organization is similar to a pyramid and consists, from top to bottom, of strategic, managerial, and _____ levels.
<u>Operational</u>

198.   At the _____ level of a business structure, employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change.
<u>Managerial</u>

199.   The _____ level of a business structure is where employees develop, control, and maintain core business activities required to run the day-to-day activities.
<u>Operational</u>

200.   The president and vice president of a company are typically found in the _____ level of the business structure.
<u>Strategic</u>

201.   Situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision, are considered _____ decisions.
<u>Semistructured</u>

202.   A _____ is a temporary activity a company undertakes to create a unique product, service, or result.
<u>Project</u>

203. The crucial steps companies perform to achieve their goals and objectives and implement their strategies are called _____ success factors.
<u>Critical</u>

204. _____ MIS metrics measure the impact MIS has on business processes and activities including customer satisfaction and customer conversion rates.
<u>Effectiveness</u>

205. _____ MIS metrics measure the performance of the IT system itself, including throughput, speed, and availability.
<u>Efficiency</u>

206. _____ focuses on how well an organization is achieving its goals and objectives.
<u>Effectiveness</u>

207. _____ focuses on the extent to which an organization is using its resources in an optimal way.
<u>Efficiency</u>

208. _____ are baseline values the system seeks to attain.
<u>Benchmarks</u>

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

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

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

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

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

214. Using systems thinking, we can see that the inputs for a transaction processing system are _____ documents, the original transaction record.
Source

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

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

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

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

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

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

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

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

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

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

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

226. A(n) _____ is a simplified representation or abstraction of reality.
Model

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

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

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

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

231. _____ systems are various commercial applications of artificial intelligence.
Intelligent

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

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

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

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

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

Decision-making skills are essential for all business professionals, at every company level, who make decisions that run the business. At the operational level, employees develop, control, and maintain core business activities required to run the day-to-day operations. Operational decisions are considered structured decisions, which arise in situations where established processes offer potential solutions. Structured decisions are made frequently and are almost repetitive in nature; they affect short-term business strategies. At the managerial level, employees are continuously evaluating company operations to hone the firm's abilities to identify, adapt to, and leverage change. Managerial decisions cover short- and medium-range plans, schedules, and budgets along with policies, procedures, and business objectives for the firm. These types of decisions are considered semistructured decisions; they occur in situations in which a few established processes help to evaluate potential solutions, but not enough to lead to a definite recommended decision. At the strategic level, managers develop overall business strategies, goals, and objectives as part of the company's strategic plan. They also monitor the strategic performance of the organization and its overall direction in the political, economic, and competitive business environment. Strategic decisions are highly unstructured decisions, occurring in situations in which no procedures or rules exist to guide decision makers toward the correct choice. They are infrequent, extremely important, and typically related to long-term business strategy.

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

Metrics are measurements that evaluate results to determine whether a project is meeting its goals. Two core metrics are critical success factors and key performance indicators. CSFs are the crucial steps companies perform to achieve their goals and objectives and implement their strategies and include creating high-quality products, retaining competitive advantages, and reducing product costs. KPIs are the quantifiable metrics a company uses to evaluate progress toward critical success factors. KPIs are far more specific than CSFs; examples include turnover rates of employees, percentage of help-desk calls answered in the first minute, and number of products returned. It is important to understand the relationship between critical success factors and key performance indicators. CSFs are elements crucial for a business strategy's success. KPIs measure the progress of CSFs with quantifiable measurements, and one CSF can have several KPIs. Of course, both categories will vary by company and industry. Imagine improved graduation rates as a CSF for a college.

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

Being able to sort, calculate, analyze, and slice-and-dice information is critical to an organization's success. Without knowing what is occurring throughout the organization, there is no way that managers and executives can make solid decisions to support the business. The different operational, managerial, and strategic support systems include the following: Operational: A transaction processing system (TPS) is the basic business system that serves the operational level (analysts) in an organization. The most common example of a TPS is an operational accounting system such as a payroll system or an order-entry system. Managerial: A decision support system (DSS) models information to support managers and business professionals during the decision-making process. Strategic: An executive information system (EIS) is a specialized DSS that supports senior level executives within the organization.

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

Artificial intelligence (AI) simulates human thinking and behavior, such as the ability to reason and learn. The five most common categories of AI are (1) expert systems—computerized advisory programs that imitate the reasoning processes of experts in solving difficult problems; (2) neural networks—attempts to emulate the way the human brain works; (3) genetic algorithm—a system that mimics the evolutionary, survival-of-the-fittest process to generate increasingly better solutions to a problem; (4) intelligent agents—a special-purpose knowledge-based information system that accomplishes specific tasks on behalf of its users; and (5) virtual reality—a computer-simulated environment that can be a simulation of the real world or an imaginary world.

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

A business process is a standardized set of activities that accomplish a specific task, such as processing a customer's order. Business processes transform a set of inputs into a set of outputs (goods or services) for another person or process by using people and tools. Without processes, organizations would not be able to complete activities. Customer-facing processes result in a product or service that is received by an organization's external customer. Business-facing processes are invisible to the external customer but essential to the effective management of the business.

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

Business process modeling (or mapping) is the activity of creating a detailed flowchart or process map of a work process, showing its inputs, tasks, and activities, in a structured sequence. A business process model is a graphic description of a process, showing the sequence of process tasks, which is developed for a specific purpose and from a selected viewpoint. Business process modeling usually begins with a functional process representation of what the process problem is, or an As-Is process model. As-Is process models represent the current state of the operation that has been mapped, without any specific improvements or changes to existing processes. The next step is to build a To-Be process model that displays how the process problem will be solved or implemented. To-Be process models show the results of applying change improvement opportunities to the current (As-Is) process model. This approach ensures that the process is fully and clearly understood before the details of a process solution are decided upon.

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

Business process improvement attempts to understand and measure the current process and make performance improvements accordingly. Streamlining improves business process efficiencies by simplifying or eliminating unnecessary steps. Bottlenecks occur when resources reach full capacity and cannot handle any additional demands; they limit throughput and impede operations. Streamlining removes bottlenecks, an important step if the efficiency and capacity of a business process are being increased. Business process reengineering (BPR) is the analysis and redesign of workflow within and between enterprises and occurs at the systems level or companywide level and the end-to-end view of a process.

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

Business process management (BPM) systems focus on evaluating and improving processes that include both person-to-person workflow and system-to-system communications. BPM systems include advanced features such as enhanced process modeling, simulation, execution, and monitoring, providing a high level of flexibility while reducing costs.

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