

Chapter 01. Information Systems: An Overview

1. The most common personal digital assistant (PDA) is a smartphone.
 - a. True
 - b. False

ANSWER: True

2. Information systems are broader in scope than information technologies.
 - a. True
 - b. False

ANSWER: True

3. In a management information system (MIS) application, processes are usually methods for performing a task.
 - a. True
 - b. False

ANSWER: True

4. In designing a management information system (MIS), the first task is to collect data and analyze it.
 - a. True
 - b. False

ANSWER: False

5. An information system should collect data from both external and internal sources, although organizational objectives and the type of application also determine what sources to use.
 - a. True
 - b. False

ANSWER: True

6. Customers, competitors, and suppliers are examples of internal data sources of an information system.
 - a. True
 - b. False

ANSWER: False

7. In a management information system (MIS), the quality of information is determined by its usefulness to users, and its usefulness determines the success of the information system.
 - a. True
 - b. False

ANSWER: True

8. To be useful, information must be able to integrate with other data and information.
 - a. True
 - b. False

ANSWER: True

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9. When solving problems, the users of an information system must avoid using informal information-such as rumors, unconfirmed reports, and stories.
- a. True
 - b. False

ANSWER: False

10. The main difference between an intranet and the Internet is that intranets are public and the Internet is private.
- a. True
 - b. False

ANSWER: False

11. A logistics information system supports decisions related to providing reports and statistics on employee demographics.
- a. True
 - b. False

ANSWER: False

12. An effective financial information system should provide timely, accurate, and integrated information about the marketing mix-4Ps: price, promotion, place, and product.
- a. True
 - b. False

ANSWER: False

13. The threat of new entrants into the marketplace is high when duplicating a company's product or service is difficult.
- a. True
 - b. False

ANSWER: False

14. Rivalry among existing competitors is high when many competitors occupy the same marketplace position.
- a. True
 - b. False

ANSWER: True

15. In the context of information systems jobs, a database administrator is responsible for developing an entire information system by writing computer programs.
- a. True
 - b. False

ANSWER: False

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16. _____ help a person connect with friends, family, and colleagues online and meet people with similar interests and hobbies.
- Tender portals
 - Social networking sites
 - Archives panels
 - Classified advertisements

ANSWER: b

17. _____ is a social networking site.
- LinkedIn
 - Yahoo
 - Bing
 - Baidu

ANSWER: a

18. Which of the following is an example of a social networking site?
- Truecaller
 - Google+
 - eBay
 - PayPal

ANSWER: b

19. Social networking sites can reduce organizations' costs by _____.
- giving customers more access to all sorts of organizational information
 - limiting buyers' choices by offering services that make it difficult for customers to switch
 - providing an inexpensive medium for targeting a large customer base
 - customizing the organization's Web site and offering many options to customers

ANSWER: c

20. _____ is skill in using productivity software, such as word processors, spreadsheets, database management systems, and presentation software.
- Network literacy
 - Business literacy
 - Information literacy
 - Computer literacy

ANSWER: d

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21. Jack knows how to use word processors, spreadsheets, and presentation software. He also has a basic knowledge of hardware, software, and the Internet. Given this information, it can be concluded that Jack has _____.
- network literacy
 - computer literacy
 - information literacy
 - business literacy

ANSWER: b

22. _____ is understanding the role of information in generating and using business intelligence.
- Information literacy
 - Business ability
 - Business mastery
 - Information retrieval

ANSWER: a

23. _____ provides historical, current, and predictive views of business operations and environments and gives organizations a competitive advantage in the marketplace.
- Business intelligence
 - Business differentiation
 - Business indexing
 - Business exploration

ANSWER: a

24. In the context of computer literacy and information literacy, to be competitive in a workplace, knowledge workers should _____.
- know how and why data is collected
 - avoid indexing and updating data
 - restrict themselves to the use of formal information
 - refrain from using business intelligence tools

ANSWER: a

25. In the context of computer literacy and information literacy, which of the following is true of knowledge workers?
- They should know how to increase strategic dissonance.
 - They should know how data should be indexed and updated.
 - They should restrict themselves to the use of informal information.
 - They should avoid collecting data from external sources.

ANSWER: b

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26. Which of the following statements is true of transaction-processing systems?
- a. They focus on data collection and processing.
 - b. They focus on integrating hardware and software technologies.
 - c. They focus on integrating data, processes, and human elements.
 - d. They focus on maximizing human involvement.

ANSWER: a

27. Transaction-processing systems _____.
a. involve low volumes of data
b. require extensive managerial judgment
c. involve operations that are repetitive
d. require maximum human involvement

ANSWER: c

28. Which of the following is a software component of a management information system (MIS)?
- a. Commercial programs
 - b. Barcode readers
 - c. Memory devices
 - d. Application servers

ANSWER: a

29. In designing a management information system (MIS), the first task is to _____.
a. clearly define the system's objectives
b. collect and analyze data
c. provide information in a useful format
d. use information for decision making

ANSWER: a

30. In designing a management information system (MIS), after defining the system's objectives, the next step is to _____.
a. provide information in a useful format
b. collect and analyze data
c. use information for decision making
d. integrate the hardware and software components

ANSWER: b

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31. The final task in designing a management information system (MIS) is _____.
a. collecting and analyzing internal and external data for accuracy and relevancy
b. providing information in a useful format for decision-making purposes
c. clearly defining the system's objectives
d. integrating hardware and software components

ANSWER: b

32. The data component of an information system is:
a. the input to the information system.
b. a series of integrated files containing relevant facts.
c. a set of facts that have been analyzed by the process component.
d. the output of the information system.

ANSWER: a

33. In the context of the data component of an information system, internal data sources include _____.
a. personnel records
b. population statistics
c. economic conditions
d. government agencies

ANSWER: a

34. In the context of the data component of an information system, external data sources include _____.
a. transaction data
b. personnel records
c. labor statistics
d. sales records

ANSWER: c

35. Which of the following statements is true of the data component of an information system?
a. Current data is collected for performance reports.
b. Disaggregated data reports overall performance during a particular sales quarter.
c. Aggregated data enables decision makers to focus on specific factors.
d. Future data is predicted for budgets or cash flow reports.

ANSWER: d

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36. In a management information system, structuring the data component to define what type of data is collected and in what form is usually easy if an organization has _____.
a. defined its strategic goals, objectives, and critical factors
b. laid out the cause of any past failure due to conflicting objectives and indefinite targets
c. focused on its competitors in the market rather than on the critical success factors
d. employees who are aware of the current marketing strategies

ANSWER: a

37. Database management systems _____.
a. are used to create, organize, and manage databases
b. improve routing and delivery schedules of databases
c. are written for specific database applications
d. include transaction-processing reports for database analysis

ANSWER: a

38. Microsoft Access is an example of a(n) _____.
a. operational resource toolkit system
b. enterprise resource planning system
c. database management system
d. knowledge management system

ANSWER: c

39. _____ is a database management system (DBMS) that is suitable for a large organization.
a. Microsoft Access
b. FileMaker Pro
c. Oracle
d. Java

ANSWER: c

40. The purpose of an information system's _____ component is generating the most useful type of information for making decisions.
a. process
b. internal data
c. external data
d. database

ANSWER: a

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41. The _____ component of an information system consists of raw facts and by itself is difficult to use for making decisions.
- cache
 - kernel
 - data
 - process

ANSWER: c

42. In the context of the major components of an information system, which of the following is a difference between information and data?
- Unlike data, information is considered the input to an information system.
 - Unlike data, information can be collected in aggregated and disaggregated forms.
 - Unlike data, information by itself is difficult to use for making decisions.
 - Unlike data, information consists of facts that have been analyzed by the process component.

ANSWER: d

43. Which of the following is essential for information to be useful?
- Relevance
 - Summarization
 - Language independence
 - Data variability

ANSWER: a

44. To be useful, information systems should _____.
- use command line user interfaces
 - generate raw data, which can be used for decision making
 - produce information in different formats
 - not use rumors, unconfirmed reports, and stories

ANSWER: c

45. Truzan Creations, one of the leading names in the handicraft industry, recently launched a new artifact in the market. The company uses a database to store information on the number of products manufactured, the weekly sales, the list of suppliers, and the profits achieved. The process component of the information system is used to conduct analysis on the data to generate information about sales. Which of the following can be used by Truzan Creations to generate predictions for its next sales period?
- Forecasting models
 - Estimation graphs
 - Modeling charts
 - Theoretical hypotheses

ANSWER: a

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46. The four Ms of resources in information systems are _____.
- a. management, motivation, manpower, and monitoring
 - b. materials, money, modeling, and monitoring
 - c. manpower, machinery, materials, and money
 - d. manpower, monitoring, movement, and modeling

ANSWER: c

47. Which of the following statements is true of an intranet?
- a. It is a network within an organization that uses Internet protocols and technologies.
 - b. It is a network that covers a wide area with the help of rented telecommunication lines.
 - c. It is a network where a computer is connected to the Internet and acts as a gateway for other devices.
 - d. It is a widely available public network of interconnected computer networks.

ANSWER: a

48. A personnel information system (PIS) helps in _____.
- a. choosing the best job candidate
 - b. improving transportation budgeting
 - c. calculating product costs
 - d. determining portfolio structures

ANSWER: a

49. Decisions related to scheduling and assigning employees can be supported by a _____.
- a. personnel information system
 - b. manufacturing information system
 - c. financial information system
 - d. logistics information system

ANSWER: a

50. A _____ provides reports and statistics on employee demographics.
- a. manufacturing information system
 - b. marketing information system
 - c. logistics information system
 - d. personnel information system

ANSWER: d

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51. Which of the following statements is true of a personnel information system (PIS) in an organization?
- It helps make decisions related to allocating human and financial resources.
 - It helps make decisions related to reducing the cost of transporting materials.
 - It helps make decisions related to increasing product quality.
 - It helps make decisions related to minimizing capital investment risks.

ANSWER: a

52. Which of the following decisions is supported by a logistics information system (LIS)?
- Predicting an organization's future personnel needs
 - Minimizing capital investment risks
 - Determining portfolio structures
 - Selecting the best modes of transportation

ANSWER: d

53. Which of the following is a difference between a logistics information system (LIS) and a financial information system (FIS)?
- An LIS supports decisions related to space utilization, whereas an FIS supports decisions related to scheduling and assigning employees.
 - An LIS supports decisions related to monitoring cost trends, whereas an FIS supports decisions related to product cost calculations.
 - An LIS supports decisions related to improving budget allocation, whereas an FIS supports decisions related to allocating human and financial resources.
 - An LIS supports decisions related to improving shipment planning, whereas an FIS supports decisions related to determining portfolio structures.

ANSWER: d

54. Which of the following decisions is supported by a manufacturing information system (MFIS)?
- Determination of portfolio structures
 - Analysis of price changes and discounts
 - Improvement of routing and delivery schedules
 - Monitoring of cost trends

ANSWER: b

55. Which of the following decisions is supported by a financial information system (FIS)?
- Determining portfolio structures
 - Choosing the best job candidate
 - Improving routing and delivery schedules
 - Analyzing sales personnel

ANSWER: a

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56. Which of the following systems supports sales forecasting?

- a. Logistics information systems
- b. Personnel information systems
- c. Marketing information systems
- d. Financial information systems

ANSWER: c

57. According to Michael Porter, which of the following strategies can be followed by an organization to successfully compete in the marketplace?

- a. Groupthink
- b. Brainstorming
- c. Simulation
- d. Focus

ANSWER: d

58. _____ strategy was identified by Michael Porter, a professor at Harvard Business School, for successfully competing in the marketplace.

- a. Transformational leadership
- b. Differentiation
- c. Groupthink collaboration
- d. Simulation

ANSWER: b

59. In the context of using information technologies for a competitive advantage, which of the following statements is true of a bottom-line strategy?

- a. It focuses on improving efficiency by reducing overall costs.
- b. It focuses on generating new revenue by offering new products and services.
- c. It focuses on enhancing rivalry among existing competitors.
- d. It focuses on helping different market segments achieve a cost advantage.

ANSWER: a

60. In the context of using information technologies for a competitive advantage, which of the following statements is true of a top-line strategy?

- a. It focuses on generating new revenue by offering new products and services.
- b. It focuses on improving efficiency by reducing overall costs.
- c. It focuses on refining operations by using latest technologies.
- d. It focuses on helping different market segments achieve technological advancement.

ANSWER: a

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61. In the context of using information technologies for a competitive advantage, a top-line strategy focuses on:
- helping different market segments achieve technological advancement.
 - improving efficiency by reducing overall costs.
 - refining operations by using latest technologies.
 - increasing revenue by selling existing products to new customers.

ANSWER: d

62. A _____, identified by Michael Porter, helps organizations make their products and services distinct from their competitors.
- simulation strategy
 - leadership strategy
 - focus strategy
 - differentiation strategy

ANSWER: d

63. _____ is high when customers have many choices and low when they have few choices.
- Buyer power
 - Threat of new services
 - Rivalry among existing customers
 - Risk of substitute products

ANSWER: a

64. In the context of Porter's Five Forces Model, an organization limits buyers' choices by:
- encouraging the use of the Internet to gather information about products.
 - launching duplicate products or services in the marketplace.
 - offering services that make it difficult for customers to switch.
 - charging market competitive rates for its products or services.

ANSWER: c

65. In the context of Porter's Five Forces Model, which of the following is a difference between buyer power and supplier power?
- Buyer power is low when customers have many choices, whereas supplier power is low when customers have fewer options.
 - Buyer power is high when customers have few choices, whereas supplier power is high when customers have more options.
 - Buyer power is low when customers have many options, whereas supplier power is low when customers have more choices.
 - Buyer power is high when customers have many choices, whereas supplier power is high when customers have fewer options.

ANSWER: d

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66. In the context of IT jobs, a _____ must have knowledge and understanding of data warehouse and data-mining tools.
- a. systems mining analyst
 - b. data design officer
 - c. web strategist
 - d. database administrator

ANSWER: d

67. _____ refers to computing devices everywhere with different sizes and power and accessed through multiple formats such as voice, touch, and gesture.
- a. Ubiquitous computing
 - b. Cloud computing
 - c. Context aware computing
 - d. Pervasive computing

ANSWER: a

68. _____ refers to building and integrating analytics capabilities into all everyday business activities.
- a. Pervasive analytics
 - b. Artificial intelligence
 - c. Business analytics
 - d. Business intelligence

ANSWER: a

69. _____ refers to widespread applications and deployment of devices that know users, their devices, and their locations and serve as intelligent assistants to businesses and individuals.
- a. Context aware computing
 - b. Cloud computing
 - c. Ubiquitous computing
 - d. Pervasive response computing

ANSWER: a

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70. For the past 60 years, transaction-processing systems

Correct

procedural-programming systems

Incorrect

business-analysis systems

Incorrect

object-oriented-modelling systems

Incorrect

have been applied to structured tasks such as record keeping, simple clerical operations, and inventory control.

a. transaction-processing systems

b. procedural-programming systems

c. business-analysis systems

d. object-oriented-modelling systems

ANSWER: a

71. A management information system

Correct

transaction-processing system

Incorrect

sequential processing system

Incorrect

data warehousing system

Incorrect

is an organized integration of hardware and software technologies, data, processes, and human elements designed to produce timely, integrated, relevant, accurate, and useful information for decision-making purposes.

a. management information system

b. transaction-processing system

c. sequential processing system

d. data warehousing system

ANSWER: a

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72. An information system collects past data for performance reports and current data for operational reports. This shows that the data component of the information system has a(n) time orientation

Correct

phase orientation

Incorrect

log orientation

Incorrect

active orientation

Incorrect

.

a. time orientation

b. phase orientation

c. log orientation

d. active orientation

ANSWER: a

73. A(n) procedure

Incorrect

database

Correct

process

Incorrect

object

Incorrect

, the heart of an information system, is a collection of all relevant facts organized in a series of integrated files.

a. procedure

b. database

c. process

d. object

ANSWER: b

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74. Users need to be able to make use of informal information

Correct

interfacing data

Incorrect

prescribed information

Incorrect

formal data

Incorrect

, such as rumors, unconfirmed reports, and stories, when solving problems.

a. informal information

b. interfacing data

c. prescribed information

d. formal data

ANSWER: a

75. Computer networks, database systems, point-of-sale (POS) systems, etc., are few examples of information technologies that support information systems in decision making

Correct

strategic planning

Incorrect

orientation focusing

Incorrect

consumer building

Incorrect

a. decision making

b. strategic planning

c. orientation focusing

d. consumer building

ANSWER: a

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76. A logistics information system

Correct

personnel information system

Incorrect

manufacturing information system

Incorrect

marketing information system

Incorrect

is designed to reduce the cost of transporting materials while maintaining safe and reliable delivery.

a. logistics information system

b. personnel information system

c. manufacturing information system

d. marketing information system

ANSWER: a

77. A financial information system

Correct

logistics information system

Incorrect

manufacturing information system

Incorrect

marketing information system

Incorrect

is typically used to support decisions related to managing an organization's cash flows.

a. financial information system

b. logistics information system

c. manufacturing information system

d. marketing information system

ANSWER: a

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78. A comprehensive framework called the Five Forces Model

Correct

Six Sigma Model

Incorrect

Three Pyramid Model

Incorrect

Four Resources Model

Incorrect

was created by Harvard Business School's Michael Porter for analyzing an organization, its position in the marketplace, and how information systems could be used to make the organization more competitive.

- a. Five Forces Model
- b. Six Sigma Model
- c. Three Pyramid Model
- d. Four Resources Model

ANSWER: a

79. Rivalry among customers

Incorrect

Government regulations

Incorrect

Threat of new entrants

Correct

Taxable services

Incorrect

is one of the forces of the Five Forces Model created by Michael Porter.

- a. Rivalry among customers
- b. Government regulations
- c. Threat of new entrants
- d. Taxable services

ANSWER: c

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80. According to Porter's Five Forces Model, supplier power

Correct

buyer power

Incorrect

new entrant power

Incorrect

competitor power

Incorrect

is low when customers have more options.

a. supplier power

b. buyer power

c. new entrant power

d. competitor power

ANSWER: a

81. In the context of the IT job market, the top information systems job belongs to the chief technology officer

Correct

systems analyst

Incorrect

webmaster

Incorrect

computer programmer

Incorrect

.

a. chief technology officer

b. systems analyst

c. webmaster

d. computer programmer

ANSWER: a

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82. In the context of IT jobs in the information systems field, a network administrator

Correct

cyber police

Incorrect

network programmer

Incorrect

cyber activist

Incorrect

is typically responsible for providing network and cybersecurity.

a. network administrator

b. cyber police

c. network programmer

d. cyber activist

ANSWER: a

83. In the context of IT jobs in the information systems field, a database administrator

Correct

database programmer

Incorrect

database strategist

Incorrect

database developer

Incorrect

is responsible for database design and implementation.

a. database administrator

b. database programmer

c. database strategist

d. database developer

ANSWER: a

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84. In the context of IT jobs in the information systems field, a webmaster

Correct

web designer

Incorrect

web developer

Incorrect

web host provider

Incorrect

designs and maintains an organization's Web site.

a. webmaster

b. web designer

c. web developer

d. web host provider

ANSWER: a

85. Discuss how information systems are useful for students.

ANSWER: Answers will vary. Students use computers and office suite software and might take online classes. Computers are often used to grade exam answers and generate detailed reports comparing the performance of each student in a class. Computers and information systems also calculate grades and GPAs and can deliver this information to the students.

86. Explain how banks use computers and information systems.

ANSWER: Answers will vary. Banks use computers and information systems for generating customers' monthly statements, running ATM machines, and for many other banking activities.

87. Explain personal digital assistants (PDAs).

ANSWER: Answers will vary. Many workers are now telecommuters who perform their jobs at home, and others often use their PDAs to conduct business while on the go. The most common PDA is a smartphone (such as an iPhone, Droid, or a Blackberry). A typical PDA includes a calendar, address book, and task-listing programs; more advanced PDAs often allow for wireless connection to the Internet and have built-in MP3 players.

88. Explain how organizations use social networking sites.

ANSWER: Answers will vary. Organizations use social networking sites to give customers up-to-date information and how-to support via videos. These sites can reduce organizations' costs by providing an inexpensive medium for targeting a large customer base.

89. Describe how information systems differ from information technologies.

ANSWER: Answers will vary. Information systems are broader in scope than information technologies, but the two overlap in many areas. Both are used to help organizations be more competitive and to improve their overall efficiency and effectiveness. Information technologies offer many advantages for improving decision making but involve some challenges, too, such as security and privacy issues.

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90. Explain what a knowledge worker should know to understand the role of information in generating and using business intelligence.

ANSWER: Answers will vary. Knowledge workers need two types of knowledge to be competitive in the workplace: computer literacy and information literacy. Knowledge workers should know the following:

- Internal and external sources of data
- How data is collected
- Why data is collected
- What type of data should be collected
- How data is converted to information and eventually to business intelligence
- How data should be indexed and updated
- How data and information should be used to gain a competitive advantage

91. Give an example of how a management information system (MIS) can be used in the public sector.

ANSWER: Answers will vary. In the public sector, an MIS for a police department, for example, could provide information such as crime statistics, crime forecasts, and allocation of police units. Management can examine these statistics to spot increases and decreases in crime rates or types of crimes and analyze this data to determine future deployment of law enforcement personnel.

92. Describe a database, and explain its role in an information system.

ANSWER: Answers will vary. A database, the heart of an information system, is a collection of all relevant data organized in a series of integrated files. A comprehensive database is essential for the success of any information system. To create, organize, and manage databases, a database management system (DBMS) is used, such as Microsoft Access or FileMaker Pro for home or small-office use. In a large organization, a DBMS such as Oracle or IBM DB2 might be used. Databases are also important for reducing personnel time needed to gather, process, and interpret data manually. With a computerized database and a DBMS, data can be treated as a common resource that is easy to access and use.

93. Briefly explain the purpose of an information system's process component.

ANSWER: Answers will vary. The purpose of an information system's process component is generating the most useful type of information for making decisions. This component generally includes transaction-processing reports and models for decision analysis that can be built into the system or accessed from external sources. An information system can include a wide range of models to support all levels of decision making. Users should be able to query an information system and generate a variety of reports. In addition, an information system should be able to grow with the organization so users can redefine and restructure models and incorporate new information into their analyses.

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94. In the context of the major components of an information system, describe the factors affecting the usefulness of information.

ANSWER: Answers will vary. The quality of information is determined by its usefulness to users, and its usefulness determines the success of an information system. To be useful, information must have the following qualities:

- a. Timeliness
- b. Integration with other data and information
- c. Consistency and accuracy
- d. Relevance

If information lacks any of these qualities, the results are incorrect decisions, misallocation of resources, and overlooked windows of opportunity. If the system cannot give users a minimum level of confidence in its reliability, it will not be used or users might dismiss the reports it generates.

Information must provide either a base for users to explore different options or insight into tasks.

Another factor affecting the usefulness of information is the information system's user interface.

Because this interface must be flexible and easy to use, most information systems make use of graphical user interfaces, with features such as menus and buttons. To be useful, information systems should also produce information in different formats, including graphics (e.g., pie charts and bar graphs), tables, and exception reports, which highlight information that is outside a specified range.

Supplying information in a variety of formats increases the likelihood of users understanding and being able to use the information.

95. Describe how a personnel information system (PIS) helps decision makers.

ANSWER: Answers will vary. A personnel information system (PIS) or human resource information system (HRIS) is designed to provide information that helps decision makers in personnel carry out their tasks more effectively. A PIS/HRIS supports the following decisions, among others:

- a. Choosing the best job candidate
- b. Scheduling and assigning employees
- c. Predicting the organization's future personnel needs
- d. Providing reports and statistics on employee demographics
- e. Allocating human and financial resources

96. Explain the main difference between an intranet and the Internet.

ANSWER: Answers will vary. The main difference between an intranet and the Internet is that an intranet is private and the Internet is public. An intranet is a network within an organization that uses Internet protocols and technologies for collecting, storing, and disseminating useful information that supports business activities such as sales, customer service, human resources, and marketing.

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97. Describe a manufacturing information system (MFIS).

ANSWER: Answers will vary. An MFIS is used to manage manufacturing resources so that companies can reduce manufacturing costs, increase product quality, and make better inventory decisions. MFISs can perform many types of analysis with a high degree of timeliness and accuracy. An MFIS supports the following decisions, among others:

- a. Ordering decisions
- b. Product cost calculations
- c. Space utilization
- d. The bid evaluation process used with vendors and suppliers
- e. Analysis of price changes and discounts

98. In the context of using information technologies for a competitive advantage, explain the difference in focus for a bottom-line strategy and a top-line strategy.

ANSWER: Answers will vary. The focus of a bottom-line strategy is improving efficiency by reducing overall costs. A top-line strategy focuses on generating new revenue by offering new products and services to customers or increasing revenue by selling existing products and services to new customers.

99. Describe the threat of substitute products or services. Explain how organizations fight this threat.

ANSWER: Answers will vary. The threat of customers choosing substitute products or services is high when many alternatives to an organization's products or services are available. Some organizations add services—such as Amazon's personalized recommendations—to make their positions in the marketplace more distinctive. Other organizations use fees to discourage customers from switching to a competitor, such as cell phone companies adding charges for switching to another provider before the customer contract is up.

100. Explain how an organization can combat the threat of new entrants.

ANSWER: Answers will vary. The threat of new entrants into the marketplace is low when duplicating a company's product or service is difficult. Organizations often use focus strategies to ensure that the threat of new entrants remains low. In addition, organizations use information technologies to increase customer loyalty, which reduces the threat of new entrants.

101. In the context of the top information systems job, describe the roles of a chief technology officer (CTO) or a chief information officer (CIO) and a chief privacy officer (CPO).

ANSWER: Answers will vary. The top information systems job belongs to either the CTO or the CIO. This person oversees long-range planning and keeps an eye on new developments in the field that can affect a company's success. Some organizations also have a CPO. This executive position includes responsibility for managing the risks and business impacts of privacy laws and policies.

102. Describe the role of a systems analyst and the qualifications required for the position.

ANSWER: Answers will vary. A systems analyst is responsible for the design and implementation of information systems. In addition to computer knowledge and an information systems background, this position requires a thorough understanding of business systems and functional areas within a business organization.

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103. Describe how networking technology will improve in the future.

ANSWER: Answers will vary. Networking technology will improve, so connecting computers will be easier, and sending information from one location to another will be faster. Compatibility issues between networks will become more manageable, and integrating voice, data, and images on the same transmission medium will improve communication quality and information delivery.

104. Discuss the impact of Internet growth in the future.

ANSWER: Answers will vary. By examining various factors related to designing, implementing, and using information systems, it can be predicted that Internet growth will continue, which will put small and large organizations on the same footing, regardless of their financial status. Internet growth will also make e-collaboration easier, despite geographical distances.