Chapter 1  Information Systems in Global Business Today

1) Internet advertising is growing at approximately 10 percent a year.
   Answer: TRUE
   Diff: 3     Page Ref: 6
   AACSB: Reflective thinking skills
   CASE: Content
   Objective: 1.1

2) Developing a new product, fulfilling an order, and hiring a new employee are examples of business processes.
   Answer: TRUE
   Diff: 1     Page Ref: 11
   AACSB: Reflective thinking skills
   CASE: Content
   Objective: 1.3

3) A fully digital firm produces only digital goods or services.
   Answer: FALSE
   Diff: 2     Page Ref: 11
   AACSB: Reflective thinking skills
   CASE: Content
   Objective: 1.1

4) A business model describes how a company produces, delivers, and sells a product or service to create wealth.
   Answer: TRUE
   Diff: 1     Page Ref: 13
   AACSB: Reflective thinking skills
   CASE: Content
   Objective: 1.3

5) Information technology (IT) consists of all the hardware that a firm needs to use in order to achieve its business objectives, whereas information systems consist of all the software and business processes needed.
   Answer: FALSE
   Diff: 2     Page Ref: 15
   AACSB: Use of information technology
   CASE: Content
   Objective: 1.3
6) Computers are only part of an information system.
Answer: TRUE
Diff: 1 Page Ref: 17
AACSB: Use of information technology
CASE: Content
Objective: 1.3

7) Information systems literacy describes the behavioral approach to information systems, whereas computer literacy describes the technical approach.
Answer: FALSE
Diff: 1 Page Ref: 18
AACSB: Use of information technology
CASE: Content
Objective: 1.3

8) The dimensions of information systems are management, organizations, and information technology.
Answer: TRUE
Diff: 2 Page Ref: 18
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.3

9) Knowledge workers assist with paperwork at all levels of the firm.
Answer: FALSE
Diff: 1 Page Ref: 19
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

10) There are four major business functions: sales and marketing; manufacturing and production; finance and accounting; and information technology.
Answer: FALSE
Diff: 1 Page Ref: 19
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

11) In order to understand how a specific business firm uses information systems, you need to know something about the hierarchy and culture of the company.
Answer: TRUE
Diff: 2 Page Ref: 19-20
AACSB: Analytic skills
CASE: Analysis
Objective: 1.3
f12) Business processes are logically related tasks for accomplishing tasks that have been formally encoded by an organization.
Answer: FALSE
Diff: 2 Page Ref: 19
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.3

13) A substantial part of management responsibility is creative work driven by new knowledge and information.
Answer: TRUE
Diff: 1 Page Ref: 20
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

14) Intranets allow firms to work easily with third-party suppliers and vendors.
Answer: FALSE
Diff: 2 Page Ref: 21
AACSB: Use of information technology
CASE: Content
Objective: 1.2

15) Investment in IT is over 50% of all invested capital.
Answer: TRUE
Diff: 2 Page Ref: 5
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.1

16) UPS’s use of Web-based tools that allow customers to embed UPS functions such as tracking and cost calculations into their own Web sites was an information systems solution used to achieve customer intimacy.
Answer: TRUE
Diff: 3 Page Ref: 13, 22
AACSB: Analytic skills
CASE: Analysis
Objective: 1.2

17) Studies have consistently shown that firms that invest greater amounts in information technology receive greater benefits than firms that invest less.
Answer: FALSE
Diff: 2 Page Ref: 26
AACSB: Use of information technology
CASE: Content
Objective: 1.4
18) Government and private sector standards are examples of complementary social assets required to optimize returns from IT investments.
Answer: TRUE
Diff: 2 Page Ref: 27
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.4

19) A firm that invests in efficient business processes is making an investment in organizational complementary assets.
Answer: TRUE
Diff: 2 Page Ref: 27
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.4

20) The behavioral approach to information systems leaves aside technical solutions to instead analyze the psychological, social, and economic impacts of systems.
Answer: TRUE
Diff: 2 Page Ref: 29
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.3

21) The six important business objectives of information technology are new products, services, and business models; customer and supplier intimacy; survival; competitive advantage; operational excellence; and
A) improved flexibility.
B) improved decision making.
C) improved business practices.
D) improved efficiency.
Answer: B
Diff: 1 Page Ref: 12
AACSB: Use of information technology
CASE: Content
Objective: 1.2
22) Dell Computer's use of information systems to improve efficiency and implement "mass customization" techniques to maintain consistent profitability and an industry lead illustrates which business objective?
A) improved flexibility
B) improved business practices
C) competitive advantage
D) survival
Answer: C
Diff: 3    Page Ref: 14
AACSB: Use of information technology
CASE: Synthesis
Objective: 1.2

23) Which of the following choices may lead to competitive advantage:
1. new products, services, and business models; 2. charging less for superior products; 3. responding to customers in real time?
A) 1 only B) 1 and 2 C) 2 and 3 D) 1, 2, and 3
Answer: D
Diff: 3    Page Ref: 14
AACSB: Analytic skills
CASE: Analysis
Objective: 1.2

24) The use of information systems because of necessity describes the business objective of
A) survival.
B) improved business practices.
C) competitive advantage.
D) improved flexibility.
Answer: A
Diff: 2    Page Ref: 15
AACSB: Use of information technology
CASE: Content
Objective: 1.2
25) Verizon's implementation of a Web-based digital dashboard to provide managers with real-time information such as customer complaints is an example of  
A) improved flexibility. 
B) improved decision making. 
C) improved efficiency. 
D) customer and supplier intimacy. 
Answer: B  
Diff: 2 Page Ref: 14  
AACSB: Use of information technology 
CASE: Analysis 
Objective: 1.2

26) The move of retail banking to use ATMs after Citibank unveiled its first ATMs illustrates the use of information systems to achieve which business objective?  
A) improved efficiency  
B) customer and supplier intimacy  
C) survival  
D) competitive advantage  
Answer: C  
Diff: 2 Page Ref: 15  
AACSB: Use of information technology 
CASE: Analysis 
Objective: 1.2

27) Which of the following objectives best describes the business strategy behind the technologies implemented in Disney's Operational Command Center, as discussed in the chapter case?  
A) operational excellence  
B) new products and services  
C) competitive advantage  
D) customer support  
Answer: D  
Diff: 2 Page Ref: 3-4  
AACSB: Analytic skills 
CASE: Analysis 
Objective: 1.2
28) The three activities in an information system that produce the information organizations use to control operations are
A) information retrieval, research, and analysis.
B) input, output, and feedback.
C) input, processing, and output.
D) data analysis, processing, and feedback.
Answer: C
Diff: 1 Page Ref: 16
AACSB: Use of information technology
CASE: Content
Objective: 1.3

29) Order data for baseball tickets and bar code data are examples of
A) raw input.
B) raw output.
C) customer and product data.
D) sales information. Answer:
A
Diff: 1 Page Ref: 16
AACSB: Use of information technology
CASE: Content
Objective: 1.3

30) The average number of tickets sold daily online is an example of
A) input.
B) raw data.
C) meaningful information.
D) feedback.
Answer: C
Diff: 1 Page Ref: 16
AACSB: Use of information technology
CASE: Analysis
Objective: 1.3

31) Output
A) is feedback that has been processed to create meaningful information.
B) is information that is returned to appropriate members of the organization to help them evaluate the input stage.
C) transfers data to the people who will use it or to the activities for which it will be used.
D) transfers processed information to the people who will use it or to the activities for which it will be used.
Answer: D
Diff: 1 Page Ref: 16
AACSB: Use of information technology
CASE: Content
Objective: 1.3
32) Converting raw data into a more meaningful form is called A) capturing.
B) processing.
C) organizing.
D) feedback.
Answer: B
Diff: 1 Page Ref: 16
AACSB: Use of information technology
CASE: Content
Objective: 1.3

33) An example of raw data from a national chain of automobile stores would be
A) an average of 13 Toyotas are sold daily in Kentucky.
B) 30 percent increase in Toyota RAV4 sales during September in Kentucky.
C) 1 Toyota RAV4 sold March 3, 2008 in Louisville, Kentucky.
D) all of the above.
Answer: C
Diff: 3 Page Ref: 16
AACSB: Use of information technology
CASE: Analysis
Objective: 1.3

34) The field that deals with behavioral issues as well as technical issues surrounding the development, use, and impact of information systems used by managers and employees in the firm is called
A) information systems literacy.
B) information systems architecture. C) management information systems.
D) information technology infrastructure.
Answer: C
Diff: 2 Page Ref: 18
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.5

35) In a hierarchical organization, the upper levels consist of A) managerial and professional employees.
B) managerial, professional, and technical employees.
C) professional and operational employees.
D) managerial, professional, and operational employees.
Answer: B
Diff: 2 Page Ref: 19
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2
36) Which of the following is not one of the current changes taking place in information systems technology?
A) growing business use of "big data" B) growth in cloud computing
C) development of videopresence software
D) emerging mobile platform
Answer: C
Diff: 2    Page Ref: 6
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

37) The fundamental set of assumptions, values, and ways of doing things that has been accepted by most of a company's members is called its
A) culture.
B) environment.
C) atmosphere.
D) values.
Answer: A
Diff: 1    Page Ref: 20
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

38) Thomas Friedman's declaration that the world was now "flat" meant that
A) the Internet has reduced the economic advantages of developed countries.
B) globalization is starting to offer less advantage to large corporations.
C) the global economy is increasingly commanded by fewer and larger corporations.
D) global capitalism is homogenizing culture and business practices throughout the world.
Answer: A
Diff: 1    Page Ref: 8
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

39) Data management technology consists of the
A) physical hardware and media used by an organization for storing data.
B) detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.
C) software governing the organization of data on physical storage media.
D) hardware and software used to transfer data.
Answer: C
Diff: 2    Page Ref: 21
AACSB: Use of information technology
CASE: Content
Objective: 1.3
40) Organizational culture is best described by which of the following statements?
A) It encompasses the sum of beliefs and assumptions by all members.
B) It enables the organization to transcend the different levels and specialties of its employees.
C) It reflects the senior management's perspective on the organization and goals.
D) It is a set of assumptions and values accepted by most members.
Answer: D
Diff: 2 Page Ref: 20
AACSB: Analytic skills
CASE: Analysis
Objective: 1.3

41) Networking and telecommunications technologies, along with computer hardware, software, data management technology, and the people required to run and manage them, constitute an organization's
A) data management environment.
B) networked environment.
C) IT infrastructure.
D) information system.
Answer: C
Diff: 2 Page Ref: 21
AACSB: Use of information technology
CASE: Content
Objective: 1.3

42) An example of a business using information systems to create new products and services is A) Wal-Mart's RetailLink system.
B) the Mandarin Oriental hotel's customer-preference tracking system.
C) Verizon's Web-based digital dashboard.
D) Apple Inc.'s iPod.
Answer: D
Diff: 3 Page Ref: 13
AACSB: Use of information technology
CASE: Analysis
Objective: 1.1

43) An example of a business using information systems to attain operational excellence is A) Wal-Mart's RetailLink system.
B) the Mandarin Oriental hotel's customer-preference tracking system.
C) Verizon's Web-based digital dashboard.
D) Apple Inc.'s iPod.
Answer: A
Diff: 3 Page Ref: 13
AACSB: Use of information technology
CASE: Analysis
Objective: 1.1
44) An example of a business using information systems for customer and supplier intimacy is
   A) Wal-Mart's RetailLink system.
   B) the Mandarin Oriental hotel's customer-preference tracking system.
   C) Verizon's Web-based digital dashboard.
   D) Apple Inc.'s iPod.
   Answer: B

45) Maintaining the organization's financial records is a central purpose of which main
   business function?
   A) manufacturing and accounting
   B) finance and accounting
   C) sales and manufacturing
   D) finance and sales
   Answer: B

46) Which of the following is not one of the primary environmental actors that interacts with an
   organization and its information systems?
   A) sales force
   B) regulatory agencies
   C) customers
   D) suppliers
   Answer: A

47) Which of the following best describes the primary reason for implementing a
   new information system, from a business perspective?
   A) The system enables the firm to create new products and services.
   B) The system will create new value for the firm, beyond its costs.
   C) The system will automate key business processes.
   D) The system is in use by our primary competitors.
   Answer: B
48) Which of the following would not be a complementary asset for a solar panel manufacturer?
A) international solar equipment certification standards  
B) government funding for green technology  
C) centralized hierarchical decision making  
D) innovation-driven management team  
Answer: C  
Diff: 2  Page Ref: 27  
AACSB: Analytic skills  
CASE: Synthesis  
Objective: 1.4

49) The temp agency that you own is having serious difficulties placing temps because few of them are familiar with Internet research. Investing in training software to enhance your workers' skills is an example of using technology to achieve which business objective?  
A) customer and supplier intimacy  
B) survival  
C) competitive advantage  
D) improved decision making  
Answer: B  
Diff: 2  Page Ref: 15  
AACSB: Analytic skills  
CASE: Evaluation  
Objective: 1.2

50) In a business hierarchy, the level that is responsible for monitoring the daily activities of the business is  
A) middle management.  
B) service workers.  
C) production management.  
D) operational management.  
Answer: D  
Diff: 2  Page Ref: 19  
AACSB: Reflective thinking skills  
CASE: Content  
Objective: 1.3

51) From a business perspective, raw data is transformed systematically during various stages, transforming it into valuable information, in a process called  
A) the information value chain.  
B) the IT value chain.  
C) information processing.  
D) feedback.  
Answer: A  
Diff: 2  Page Ref: 25  
AACSB: Use of information technology  
CASE: Content  
Objective: 1.2
52) A corporation that funds a political action committee, which in turn promotes and funds a political candidate who agrees with the values of that corporation, could be seen as investing in which main category of complementary assets?
A) managerial B) governmental C) social D) organizational
Answer: C
Diff: 2 Page Ref: 27
AACSB: Analytic skills
CASE: Analysis
Objective: 1.4

53) Apple Computer dominates the online legal music sales industry primarily because of a failure of recording label companies to
A) invest in technology.
B) adopt a new business model. C) invest in complementary assets.
D) modernize their information value chain.
Answer: B
Diff: 2 Page Ref: 27
AACSB: Use of information technology
CASE: Content
Objective: 1.1

54) An example of an organizational complementary asset is
A) using the appropriate business model.
B) a collaborative work environment.
C) laws and regulations.
D) all of the above.
Answer: A
Diff: 2 Page Ref: 27
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.4

55) An example of a social complementary asset is
A) technology and service firms in adjacent markets.
B) training programs.
C) distributed decision-making rights.
D) all of the above.
Answer: A
Diff: 2 Page Ref: 27
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.4
56) Disciplines that contribute to the technical approach to information systems are A) computer science, engineering, and networking. B) operations research, management science, and computer science. C) engineering, utilization management, and computer science. D) management science, computer science, and engineering. Answer: B

57) The discipline that focuses on mathematical techniques for optimizing parameters of organizations, such as transportation and inventory control, is A) management science. B) MIS. C) operations research. D) utilization management. Answer: C

58) Sociologists study information systems with an eye to understanding A) how systems affect individuals, groups, and organizations. B) how human decision makers perceive and use formal information. C) how new information systems change the control and cost structures within the firm. D) the production of digital goods. Answer: A

59) Psychologists study information systems with an eye to understanding A) how systems affect individuals, groups, and organizations. B) how human decision makers perceive and use formal information. C) how new information systems change the control and cost structures within the firm. D) the production of digital goods. Answer: B
60) All of the following are advantages, for a firm, of cloud computing except A) ability to support mobile computing.
B) ability to support remote work
C) ability to improve communication.
D) ability to rely on markets to build value.
Answer: C
Diff: 2    Page Ref: 8
AACSB:    Analytic skills
CASE:     Evaluation
Objective: 1.2

61) Which of the following are key corporate assets?
A) intellectual property, core competencies, and financial and human assets
B) production technologies and business processes for sales, marketing, and finance
C) knowledge and the firm’s tangible assets, such as goods or services
D) time and knowledge
Answer: A
Diff: 3    Page Ref: 12
AACSB:    Reflective thinking skills
CASE:     Content
Objective: 1.2

62) Which of the following roles in a firm would be least affected by using mobile devices to access firm information systems?
A) senior executives B) sales executives C) production workers D) operational managers
Answer: C
Diff: 3    Page Ref: 19
AACSB:    Analytic skills
CASE:     Analysis
Objective: 1.2

63) A firm that must invest in new information systems capabilities in order to comply with federal legislation can be said to be investing to achieve which business objective?
A) customer intimacy
B) operational excellence
C) survival
D) improved reporting
Answer: C
Diff: 2    Page Ref: 15
AACSB:    Use of information technology
CASE:     Analysis
Objective: 1.2
64) Which of the following would not be used as an input for an information system?
A) digital dashboard
B) handheld computer
C) barcode scanner
D) cell phone
Answer: A
Diff: 2 Page Ref: 16
AACSB: Use of information technology
CASE: Analysis
Objective: 1.3

65) Which field of study focuses on both a behavioral and technical understanding of information systems?
A) sociology
B) operations research
C) economics
D) management information systems
Answer: D
Diff: 2 Page Ref: 18
AACSB: Use of information technology
CASE: Content
Objective: 1.5

66) The three principle levels within a business organization hierarchy are
A) senior management, operational management, and service workers.
B) senior management, middle management, and operational management.
C) senior management, operational management, and information systems.
D) senior management, middle management, and service workers.
Answer: B
Diff: 3 Page Ref: 19
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

67) Engineers, scientists, or architects, who design new products or services for a firm, belong to which level of a business hierarchy?
A) middle management
B) production workers
C) knowledge workers
D) data workers
Answer: C
Diff: 2 Page Ref: 19
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2
68) Which main business function is responsible for maintaining employee records?
   A) sales and marketing
   B) human resources
   C) finance and accounting
   D) manufacturing and production
   Answer: B
   Diff: 1     Page Ref: 20
   AACSB: Reflective thinking skills
   CASE: Content
   Objective: 1.2

69) Which of the following constitutes an organizational element in the UPS tracking system described in the chapter?
   A) the specification of procedures for identifying packages with sender and recipient information
   B) monitoring service levels
   C) promoting the company strategy of low-cost, superior service
   D) the use of handheld computers and networks for managing package delivery
   Answer: A
   Diff: 3     Page Ref: 22
   AACSB: Analytic skills
   CASE: Synthesis
   Objective: 1.2

70) A managerial element in the UPS tracking system described in the chapter is
   A) taking inventory.
   B) providing package status reports to customers.
   C) the decision to use automation.
   D) in-house package tracking software.
   Answer: C
   Diff: 2     Page Ref: 22
   AACSB: Analytic skills
   CASE: Synthesis
   Objective: 1.2

71) ________ is data that has been shaped into a form that is meaningful to human beings.
   Answer: Information
   Diff: 1     Page Ref: 15-16
   AACSB: Reflective thinking skills
   CASE: Content
   Objective: 1.2
72) _______ is output returned to appropriate members of the organization to help them evaluate or correct the input stage.
Answer: Feedback
Diff: 2  Page Ref: 16
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

73) The key elements of an organization are its people, structure, business processes, politics, and _______.
Answer: culture
Diff: 2  Page Ref: 18
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

74) _______ makes long-range strategic decisions about the firm's products and services.
Answer: Senior management
Diff: 2  Page Ref: 19
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.2

75) Computer _______ consists of the detailed, preprogrammed instructions that control and coordinate the computer hardware components in an information system.
Answer: software
Diff: 1  Page Ref: 21
AACSB: Use of information technology
CASE: Content
Objective: 1.3

76) _______ is a global network that uses universal standards to connect millions of different networks around the world.
Answer: The Internet
Diff: 1  Page Ref: 21
AACSB: Use of information technology
CASE: Content
Objective: 1.3

77) The _______ is a service provided by the Internet that uses universally accepted standards for storing, retrieving, formatting, and displaying information in a page format.
Answer: World Wide Web/Web/WWW
Diff: 1  Page Ref: 21
AACSB: Use of information technology
CASE: Content
Objective: 1.3
78) _______ are private corporate networks extended to authorized users outside the organization.
Answer: Extranets
Diff: 1   Page Ref: 21
AACSB: Use of information technology
CASE: Content
Objective: 1.3

79) The enormous volume of data generated by Internet activity, such as Web traffic and e-mail, is referred to as _______.
Answer: big data
Diff: 2   Page Ref: 7
AACSB: Reflective thinking skills
CASE: Content
Objective: 1.1

80) In a(n) _______ perspective, the performance of a system is optimized when both the technology and the organization mutually adjust to one another until a satisfactory fit is obtained.
Answer: sociotechnical
Diff: 2   Page Ref: 30
AACSB: Use of information technology
CASE: Content
Objective: 1.3

81) Define operational excellence. How can information systems help achieve it?
Answer: Operational excellence is the achievement of higher levels of productivity, efficiency, profitability. Information systems can help achieve operational excellence by improving communications to supplier and optimizing the supply chain. Information systems could help managers communicate with workers more efficiently, enable technological innovation in products, minimize warehouse overhead, streamline distribution.
Diff: 2   Page Ref: 13
AACSB: Analytic skills
CASE: Evaluation
Objective: 1.2

82) You work for an auto manufacturer and distributor. How could you use information systems to achieve greater customer intimacy?
Answer: You could create a Web site that allows customers to customize cars, communicate with support personnel and other car owners. You could create an automated e-mail service reminding car owners to take their car in for periodic checkups. You could have an information system that tracks customer preferences in local areas, so you can provide cars that reflect local customer needs and desires.
Diff: 3   Page Ref: 14
AACSB: Analytic skills
CASE: Analysis
Objective: 1.2
83) What is the difference between information technology and information systems?
Describe some of the functions of information systems.
Answer: Information technology (IT) consists of all the hardware and software that a firm needs
to use to achieve its business objectives. Information systems are more complex. An
information system can be defined technically as a set of interrelated components that collect (or
retrieve), process, store, and distribute information to support decision making and control in an
organization.

An information system:
• supports decision making, coordination, and control
• helps employees analyze problems
• helps employees visualize complex subjects
• helps create new products
Diff: 2 Page Ref: 15-17
AACSB: Analytic skills
CASE: Evaluation
Objective: 1.3

84) You are a marketing manager for a national movie theater chain. Give an example of data
that your department could use for creating meaningful information. What type of information
could that data produce?
Answer: Movie ticket sales from individual theaters would be an example of raw data.
Meaningful information from this would be: average number of tickets sold to seniors on
certain days of the week.
Diff: 3 Page Ref: 16
AACSB: Analytic skills
CASE: Synthesis
Objective: 1.3

85) Define business process. What might be a business process used at a hospital?
Answer: A business process is a set of logically related tasks and behaviors for accomplishing
work. Hiring a new employee, customer intake, and filing medical records are examples of
business processes at a hospital.
Diff: 2 Page Ref: 11
AACSB: Analytic skills
CASE: Synthesis
Objective: 1.2
86) You are starting a small bike messenger company. Given your type of services (hand-delivering packages within a small geographical area), could your firm be a digital firm? If so, what would make this a digital firm?

Answer: Being a digital firm doesn't purely rely on having digital goods and services. A digital firm would have most of its relationships with customers, suppliers, and employees be digitally enabled. Ordering deliveries, assigning deliveries, managing employees and assignments could certainly be digitally enabled; using cell phones, information systems, and handheld devices to connect customers, delivery management, and bike messengers.

Diff: 3 Page Ref: 11
AACSB: Analytic skills
CASE: Synthesis
Objective: 1.1

87) This chapter discusses how each organization has its own culture and sets of values shared by most of its members. What kind of shared values might you find at a law firm?

Answer: Shared values at a law firm might be: The legal system works, the legal system is fair, lawyers help people, and people need help with the legal system because it is complicated.

Diff: 2 Page Ref: 20
AACSB: Analytic skills
CASE: Evaluation
Objective: 1.2

88) You work at the business headquarters for a chain of movie theaters. Describe this firm's information value chain.

Answer: An information value chain adds value to data at various stages, transforming it into valuable data. At a chain of movie theaters, data would be gathered from ticket sales and concession sales. Information systems would help transform this into meaningful information, such as determining the types of movies popular in certain regions, times and days of the week that people most often saw movies, what snacks were the most popular. This information would be valuable in making decisions, such as offering ticket discounts during less popular time slots, and offering more popular snack items. Further feedback based on the results of these decisions could determine whether these decisions were effective.

Diff: 3 Page Ref: 25
AACSB: Analytic skills
CASE: Synthesis
Objective: 1.2
89) How does a company's use of information systems affect its corporate strategies? Provide an example.
Answer: A firm's ability to effectively use information technology is interdependent with its ability to implement corporate strategies and achieve corporate goals. More and more, the ability to compete and succeed depends on a company's ability to implement technology. What a business would like to do in the future can depend on what its systems will be able to do. Examples of this might be a company who invests in information systems that enable it to create new products or to make its distribution system more efficient, allowing the company to become the low-cost producer.
Diff: 3 PAGE REF: 12
AACSB: Analytic skills
CASE: Evaluation
Objective: 1.2

90) What are the main changes taking place in organizational use of information systems. Which of these do you think is having the greatest impact on businesses?
Answer: The main organizational changes taking place are:
1. businesses using social networks to connect with customers and suppliers,
2. businesses implementing tablet and mobile platforms enabling work away from the office, and
3. increase in collaboration, with customers and suppliers more connected by networks to the firm and able to contribute in new products and services.
Student answers as to the greatest impact will vary. An example answer is: The increase in collaboration is having the greatest impact, as customers are essentially gaining greater control in determining the end product; businesses who are flexible enough to listen to and respond to customer demand will be more successful.
Diff: 2 PAGE REF: 7
AACSB: Analytic skills
CASE: Evaluation
Objective: 1.1

Copyright © 2014 Pearson Education, Inc.