1. A system is composed of a group of interrelated components that work towards a common goal. These components include inputs, processes, outputs, feedback and control. A system also has a boundary that separates it from the environment. Systems can be made up of one or more smaller subsystems.
2. An information system converts data into information products. This information is used to support the activities of managers. Information systems make use of people resources, hardware resources, software resources and data resources.
3. Computer-based information systems take advantage of the benefits of information technology and are often grouped into two broad categories. Operations information systems are concerned with process control, transaction processing and productivity. Management information systems provide feedback on organisational activities and support managerial decision making. Computer-based information systems are referred to as ‘information systems’ in the remainder of the book for simplicity.
4. Operations information systems include transaction processing systems, process control systems and office automation systems.
5. Management information systems include information reporting systems, decision support systems and executive information systems.
6. Other categories of computer-based information systems include expert systems, business information systems, end-user computing systems and strategic information systems.
7. ‘Electronic business’ is a broader term referring to how technology can benefit all internal business processes and interactions with third parties. This includes buy-side and sell-side e-commerce.
8. Electronic commerce traditionally refers to electronically mediated buying and selling.
9. Sell-side e-commerce involves all electronic business transactions between an organisation and its customers, while buy-side e-commerce involves transactions between an organisation and its suppliers.
10. In large companies, applications functional areas are gradually being replaced by enterprise resource planning applications that provide functionality applicable across the organisation. In smaller companies, accounting systems are being extended to use in other areas such as payroll, purchase ordering and inventory management.
11. In order to gain strategic advantage, companies will often adopt one of three basic competitive strategies: cost leadership, product differentiation or business innovation. BIS and e-business systems can be used to support attempts to gain competitive advantage through a number of different approaches. These include improving operational efficiency, raising entry barriers, creating high switching costs and gaining information leadership.

A **system** is composed of a group of interrelated components that work towards a common goal.

An information system is an application which converts data into information products.

Computer Based Information System (CBIS) is ***an information system in which the computer plays a major role to*** converts data into information products. Such a system consists of the following elements:

* **Hardware:** The term hardware refers to machinery. This category includes the computer itself, which is often referred to as the central processing unit (CPU), and all of its support equipment’s. Among the support equipment’s are input and output devices, storage devices and communications devices.
* **Software:**The term software refers to computer programs and the manuals (if any) that support them. Computer programs are machine-readable instructions that direct the circuitry within the hardware parts of the Computer Based Information System (CBIS) to function in ways that produce useful information from data. Programs are generally stored on some input / output medium-often a disk or tape.
* **Data:** Data are facts that are used by program to produce useful information. Like programs, data are generally stored in machine-readable from on disk or tape until the computer needs them.
* **Procedures:** Procedures are the policies that govern the operation of a computer system. “Procedures are to people what software is to hardware” is a common analogy that is used to illustrate the role of procedures in a CBIS.
* **People:** Every Computer Based Information System (CBIS) needs people if it is to be useful. Often the most over-looked element of the CBIS is the people: probably the components that most influence the success or failure of information system.

Operations information systems

OIS process concerning ongoing, daily operations and what needs to be done to meet short-term goals and immediate requests. OIS is on the ground, actively managing work shifts, inventory, payroll, shipping schedules and more.

management information system

A management information system is an information system used for decision-making, and for the coordination, control, analysis, and visualization of information in an organization.

Management information systems (MIS) is **the study of how people use technology to manage information.**

end-user computing

end-user computing (EUC) refers **to computer systems and platforms that help non-programmers create applications**.

E-business

E-business (electronic business) is **the conduct of online business processes on the web, internet, extranet or a combination thereof**.

E-commerce

E-commerce is the activity of electronically buying or selling of products on online services or over the Internet.

**Difference between E-Commerce and E-Business :**

|  |  |  |
| --- | --- | --- |
| **S.No.** | **E-COMMERCE** | **E-BUSINESS** |
| **01.** | **E-Commerce refers to the performing online commercial activities, transactions over internet.** | **E-Business refers to performing all type of business activities through internet.** |
| **02.** | **E-Commerce is a narrow concept and it is considered as a subset of E-Business.** | **E-Business is a broad concept and it is considered as a superset of E-Commerce.** |
| **03.** | **Commercial transactions are carried out in e-commerce.** | **Business transactions are carried out in e-business.** |
| **04.** | **In e-commerce transactions are limited.** | **In e-business transactions are not limited.** |
| **05.** | **It includes activities like buying and selling product, making monetary transactions etc over internet.** | **It includes activities like procurement of raw materials/goods, customer education, supply activities buying and selling product, making monetary transactions etc over internet.** |
| **06.** | **It usually requires the use of only a website.** | **It requires the use of multiple websites, CRMs, ERPs that connect different business processes.** |
| **07.** | **It involves mandatory use of internet.** | **It involves the use of internet, intranet or extranet.** |
| **08.** | **E-commerce is more appropriate in Business to Customer (B2C) context.** | **E-business is more appropriate in Business to Business (B2B) context.** |
| **09.** | **E-Commerce covers outward/external business process.** | **E-Business covers internal as well as external business process/activities.** |

Sell-side e-commerce:

Sell-side e-commerce refers to transactions where products and services are sold to a customer via the internet.