

I d1) 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

2) 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

3) 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

4) 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

5) 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

6) 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

7) An information system can be defined technically as a set of interrelated components that collect, process, store, and distribute information to support

- A) **decision making and control in an organization.**
- B) communications and data flow.
- C) managers analyzing the organization's raw data.
- D) the creation of new products and services.

Answer: A

8) 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

9) 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

10) The average number of tickets sold daily online is an example of

- A) input.
- B) raw data.
- C) **meaningful information.**
- D) feedback.

Answer: C

11) 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

12) Converting raw data into a more meaningful form is called

- A) capturing.
- B) processing.
- C) organizing.
- D) feedback.

Answer: B

13) 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 RAV 4 sales during September in Kentucky.
- C) 1 Toyota RAV4 sold March 3, 2008 in Louisville, Kentucky.
- D) all of the above.

Answer: C

14) 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

15) 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

16) **Which of the six strategic business objectives did the NBA's use of Synergy Sports Technology help to achieve?**

- A) customer and supplier intimacy
- B) improved decision making**
- C) new products and services
- D) operational excellence

Answer: B

17) **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

18) **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

19) **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

20) **The hardware and software used to transfer data in an organization is called**

- A) data management technology.
- B) networking and data management technology.
- C) data and telecommunications technology.
- D) networking and telecommunications technology.**

Answer: D

21) 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

22) 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

23) 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

24) 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

25) 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

26) Based on the examples in the chapter, if you were asked to formulate a plan for a regional drive-in restaurant chain's efforts to use information technology to develop a loyal

customer base, what would be the best use of information technology from the list below?

- A) Use IT to increase supplier loyalty.
- B) Use IT to increase operational efficiency.
- C) Use IT to create new products and business models.
- D) Use IT to help survive government reporting requirements.
- E) Use IT to **achieve customer intimacy.**

Answer: E

27) The fact that online advertising revenues are growing at 25 percent a year, while offline traditional advertising revenues are growing at about 5 percent a year, suggests that

- A) Internet advertising is very inexpensive.
- B) offline traditional advertising is not very effective.
- C) **the Internet is transforming the traditional advertising business model.**
- D) new technologies are more efficient at selling to customers.

Answer: C

28) Toyota Motor Company's vehicle orders management system allows it to improve efficiency by basing vehicle production on

- A) superior forecasts of regional demand.
- B) **actual customer orders.**
- C) improved decision making.
- D) customer preferences.

Answer: B

29) 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

30) Which of the following are environmental actors that interact with an organization and its information systems?

- A) customers
- B) suppliers
- C) regulatory agencies
- D) **all of the above**

Answer: D

31) 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

32) 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

33) 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

34) 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

35) 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

36) 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

37) 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

38) 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

39) 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

40) The costs for firms operating on a global scale have been drastically reduced by

- A) networking technology.
- B) investments in organizational complementary assets.
- C) the Internet.
- D) the rise of digital content.

Answer: C

41) 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

42) Overproduction or underproduction of goods and services, misallocation of resources, and poor response times are the results of a firm's having

- A) poor relationships with suppliers.
- B) poor relationships with customers.
- C) inadequate information.
- D) a surplus of information.

Answer: C

43) 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

44) Which of the following would NOT be used as an input for an information system?

- A) digital dashboard
- B) handheld computer
- C) bar-code scanner
- D) cell phone

Answer: A

45) 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

46) 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

47) 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

48) 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

49) 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

50) 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

51) Tata Motor's new information system, enabling it to automate processes in product design and production engineering planning, is best categorized as a(n)

- A) KMS
- B) TPS
- C) DSS
- D) ESS

Answer: A

52) Identifying customers is a responsibility of the _____ function.

- A) finance and accounting
- B) human resources

- C) manufacturing and production
- D) sales and marketing

Answer: D

53) Producing bills of materials is a business process within the _____ function.

- A) finance and accounting
- B) human resources
- C) manufacturing and production
- D) sales and marketing

Answer: C

54) Which of the following is an example of a cross-functional business process?

- A) identifying customers
- B) creating a new product
- C) assembling a product
- D) paying creditors

Answer: B

55) Which type of system would you use to change a production schedule if a key supplier was late in delivering goods?

- A) ESS
- B) TPS
- C) MIS
- D) DSS

Answer: B

56) To monitor the status of internal operations and the firm's relations with the external environment, managers need _____ systems.

- A) decision-support
- B) knowledge
- C) transaction processing
- D) management information

Answer: C

57) Which systems are typically a major source of data for other systems?

- A) transaction processing systems
- B) management information systems
- C) executive support systems
- D) decision-support systems

Answer: A

58) Which type of system would you use to determine the five suppliers with the worst record in delivering goods on time?

- A) ESS
- B) TPS
- C) MIS
- D) DSS

Answer: C

59) A relocation control system that reports summaries on the total moving, house-hunting, and home financing costs for employees in all company divisions would fall into the category of

- A) knowledge management systems.
- B) transaction processing systems.
- C) executive-support systems.
- D) management information systems.

Answer: D

60) The term "management information systems" designates a specific category of information systems serving:

- A) integrated data processing throughout the firm.
- B) transaction process reporting.
- C) employees with online access to historical records.
- D) middle management functions.

Answer: D

61) Decisions that are unique, rapidly changing, and not easily specified in advance are best suited to which type of system?

- A) MIS
- B) TPS
- C) ESS
- D) DSS

Answer: D

62) _____ systems are especially suited to situations in which the procedure for arriving at a solution may not be fully defined in advance.

- A) Management information
- B) Transaction processing
- C) Decision-support
- D) Knowledge management

Answer: C

63) Which type of system would you use to forecast the return on investment if you used new suppliers with better delivery track records?

- A) ESS
- B) TPS
- C) MIS
- D) DSS

Answer: D

64) Decision-support systems are often referred to as business _____ systems.

- A) information
- B) intelligence
- C) analysis
- D) modeling

Answer: B

65) Which benefits of AirCanada's new Maintenix software best illustrate the DSS capabilities of their new information system?

- A) enhanced visibility of fleetwide data
- B) support of existing business model and enterprise resource planning and financial software
- C) increased operational efficiencies
- D) ability to match work requirements against changing locations and flight schedules

Answer: D

66) ESS are specifically designed to serve which level of the organization?

- A) operational
- B) end-user
- C) middle management
- D) senior management

Answer: D

67) Executive support systems are information systems that support the

- A) long-range planning activities of senior management.
- B) knowledge and data workers in an organization.
- C) decision-making and administrative activities of middle managers.
- D) day-to-day processes of production.

Answer: A

68) Which systems often deliver information to senior executives through a portal, which uses a Web interface to present integrated personalized business content?

- A) transaction processing systems
- B) executive support systems

- C) management information systems
- D) decision-support systems

Answer: B

69) Which type of system would you use to determine what trends in your supplier's industry will affect your firm the most in five years?

- A) ESS
- B) TPS
- C) MIS
- D) DSS

Answer: A

70) What is the most important function of an enterprise application?

- A) increasing speed of communicating
- B) enabling business functions and departments to share information
- C) enabling a company to work collaboratively with customers and suppliers
- D) enabling cost-effective e-business processes

Answer: B

71) _____ are designed to support organization-wide process coordination and integration.

- A) Decision-support systems
- B) Management information systems
- C) CRM systems
- D) Enterprise applications

Answer: D

72) A(n) _____ system collects data from various key business processes and stores the data in a single, comprehensive data repository, usable by other parts of the business.

- A) transaction
- B) enterprise
- C) automatic reporting
- D) management information

Answer: B

73) You manage the IT department at a small startup Internet advertiser. You need to set up an inexpensive system that allows customers to see real-time statistics such as views and click-throughs about their current banner ads. Which type of system will most efficiently provide a solution?

- A) CRM
- B) enterprise system

- C) extranet
- D) intranet

Answer: C

74) The Smart Site Solution system used by Johnny's Lunch to help identify the best locations to open new franchises is best categorized as a

- A) POS system
- B) DSS
- C) CRM
- D) KMS

Answer: B

75) The MICROS system used by Johnny's Lunch to captures sales transaction data and help monitor inventory, control waste, and adhere to government regulations is best categorized as a(n)

- A) TPS
- B) ESS
- C) CRM
- D) KMS

Answer: A

76) **The four major enterprise applications are**

- A) SCMs, CRMs, DSSs, and KMSs.
- B) SCMs, CRMs, ESSs, and KMSs.
- C) enterprise systems, SCMs, DSSs, and CRMs.
- D) enterprise systems, SCMs, CRMs, and KMSs.

Answer: D

77) **Enterprise systems are also known as _____ systems.**

- A) resource planning
- B) enterprise resource planning
- C) enterprise support
- D) management information

Answer: B

78) **Enabling management to make better decisions regarding organizing and scheduling sourcing, production, and distribution is a central feature of**

- A) SCMs
- B) TPSs
- C) KMSs
- D) ERPs

Answer: A

79) _____ systems integrate supplier, manufacturer, distributor, and customer logistics processes.

- A) Collaborative distribution
- B) Supply-chain management
- C) Reverse logistics
- D) Enterprise planning

Answer: B

80) _____ uses a set of integrated applications to address all aspects of the customer relationship.

- A) CRM
- B) MIS
- C) CLE
- D) CLU

Answer: A

81) Which types of systems consolidate the relevant knowledge and experience in the firm to make it available to improve business processes and management decision making?

- A) TPS
- B) Extranets
- C) KMS
- D) CRM

Answer: C

82) An information system for _____ would NOT be categorized as a KMS.

- A) distributing documents
- B) documenting the expertise of company specialists
- C) enabling the discovery of new product applications
- D) discovering new sales channels for a product

Answer: D

83) Which type of information system is an intranet most easily adapted to?

- A) CRM
- B) MIS
- C) TPS
- D) KMS

Answer: D

84) Which of the following types of system helps expedite the flow of information between the firm and its suppliers and customers?

- A) intranet
- B) extranet
- C) KMS
- D) TPS

Answer: B

85) Which of the following occupations would NOT be categorized as an "interaction" job?

- A) sales representative
- B) business manager
- C) engineer
- D) operations manager

Answer: C

86) Which of the following decisions requires knowledge based on collaboration and interaction?

- A) How long will it take to manufacture this product?
- B) Should we collaborate with outside vendors on new products and services?
- C) In which geographical locations are our products garnering the most sales?
- D) Which product design is the most efficient for the user in terms of energy use?

Answer: B

87) E-government refers to the application of _____ to digitally enable government and public sector agencies' relationships with citizens, businesses, and other arms of government.

- A) the Internet and networking technologies
- B) e-commerce
- C) e-business
- D) any computerized technology

Answer: A

88) Buying or selling goods over the Internet is called

- A) e-commerce.
- B) e-business.
- C) an intranet.
- D) an extranet.

Answer: A

89) The use of digital technology and the Internet to execute the major business processes in the enterprise is called

- A) e-commerce.
- B) e-business.

- C) enterprise applications.
- D) MIS.

Answer: B

90) **The principal liaison between the information systems groups and the rest of the organization is a(n)**

- A) programmer.
- B) information systems manager.
- C) systems analyst.
- D) CTO.

Answer: C

91) **A _____ is a senior manager who oversees the use of IT in the firm.**

- A) CEO
- B) CFO
- C) CIO
- D) CTO

Answer: C

92) The _____ helps design programs and systems to find new sources of knowledge or to make better use of existing knowledge in organizational and management processes.

- A) CTO
- B) CSO
- C) CKO
- D) CPO

Answer: C

93) **The CPO is responsible for**

- A) ensuring that the company complies with existing data privacy laws.
- B) making better use of existing knowledge in organizational and management processes.
- C) enforcing the firm's information security policy.
- D) overseeing the use of information technology in the firm.

Answer: A

94) The advantage of a having a centralized information services department that operates as a separate department similar to other departments is that

- A) this is more likely to produce more compatible systems and more coherent long-term systems development plans.
- B) this lowers costs of technology purchases.
- C) systems are built that directly address that function's business needs.
- D) systems are built that can function independently and more efficiently.

Answer: A

95) Which of the following roles falls into the duties of an information systems manager?

- A) writing software instructions for computers
- B) acting as liaison between the information systems group and the rest of the organization
- C) translating business problems into information requirements
- D) managing data entry staff

Answer: D

96) Which of the following types of organizing the information systems function would you be most likely to find in a small company with 20 employees?

- A) as departments within each functional area
- B) as a separate, centralized department
- C) represented within each major division of the company
- D) none of the above

Answer: D

97) Which of the following types of organizing the information systems function would you be most likely to find in a very large, multinational corporation?

- A) as departments within each functional area
- B) as a separate, centralized department
- C) represented within each major division of the company
- D) none of the above

Answer: C

98) You work for a highly successful advertiser that is just about to expand nationally. Of utmost importance will be finding a way to store and disseminate their clients' continually updated branding guides, which include multiple image files and text documents, to all of the firm's branches. What system will best serve these needs?

- A) an intranet with KMS capabilities
- B) an extranet with KMS capabilities
- C) a TPS with KMS capabilities
- D) a CRM

Answer: B

99) You have been hired by a non-profit agency to implement a system to handle their donations. Event fundraisers need to be able to quickly access a donor's information and history. The marketing department needs to be able to create customized mailing lists, in order to send different messages to different types of donors. What system will best meet these needs?

- A) TPS
- B) TPS with DSS capabilities
- C) TPS with MIS capabilities

D) TPS with ESS capabilities

Answer: C

100) You have been hired by Inspiration Inc, to help improve their profit margin. Inspiration Inc. is a business communications consultancy that services many clients in different industries throughout the United States. The end products of the company are customized recommendations for the best use of a client's existing resources for improving internal communications, typically delivered via documentation in different media. The company has approximately 100 consultants, all of whom are located in their central headquarters in Chicago. What system do you recommend to improve the company's business processes and increase their profit margin?

- A) Extranet, to enable quick collaboration over the Internet , minimize the time spent communicating with the client, and minimize the amount of paperwork needed
- B) CRM, to maintain easily accessible customer records to minimize the time spent looking for client data
- C) KMS, for minimizing redundant work on similar clients
- D) marketing system, for improving sales levels

Answer: A

101) As discussed in the chapter opening case, which of the four generic strategies to combat competitive forces formed the basis of e-Bay's growth strategy?

- A) low-cost leadership
- B) focus on market niche
- C) customer and supplier intimacy
- D) product differentiation

Answer: D

102) Which of the following would NOT be considered a disruptive technology?

- A) instant messaging
- B) e-mail
- C) Internet telephony
- D) PCs

Answer: A

103) The interaction between information systems and organizations is

- A) primarily guided by the decision making of middle- and senior-managers.
- B) a complex, two-way relationship mediated by factors such as the environment and organizational structure.
- C) driven by the microeconomic forces of capital and labor.
- D) successfully managed when the organization's existing culture and goals are seen as the driving force.

Answer: B

104) **An organization is a**

- A) stable, formal social structure that takes resources from the environment and processes them to produce outputs.
- B) formal, legal entity with internal rules and procedures that must abide by laws.
- C) collection of social elements.
- D) b and c
- E) a, b, and c

Answer: E

105) **How does the technical view of organizations fall short of understanding the full impacts of information systems in a firm?**

- A) It sees information systems as a way to rearrange the inputs and outputs of the organization.
- B) It sees capital and labor as primary production factors.
- C) It sees the inputs and outputs, labor and capital, as being infinitely malleable.
- D) It sees the organization as a social structure similar to a machine.

Answer: C

106) **According to the _____ definition of organizations, an organization is seen as a means by which primary production factors are transformed into outputs consumed by the environment.**

- A) microeconomic
- B) macroeconomic
- C) sociotechnical
- D) behavioral

Answer: A

107) **All of the following are major features of organizations that impact the use of information systems EXCEPT for**

- A) business processes.
- B) environments.
- C) goals.
- D) agency costs.

Answer: D

108) **Business processes are collections of**

- A) informal practices and behaviors.
- B) formalized and documented practices.
- C) routines.
- D) rights and privileges.

Answer: C

109) Mintzberg's classification of organizational structure categorizes the knowledge-based organization where goods and services depend on the expertise and knowledge of professionals as a(n):

- A) entrepreneurial structure.
- B) divisionalized bureaucracy.
- C) professional bureaucracy.
- D) adhocracy.

Answer: C

110) A large bureaucracy existing in a slowly changing environment that produces standard products and is dominated by centralized management making is classified by Mintzberg as a _____ bureaucracy.

- A) machine
- B) professional
- C) divisionalized
- D) multidivisional

Answer: A

111) An example of a professional bureaucracy is a

- A) small startup firm.
- B) school system.
- C) mid-size manufacturing firm.
- D) consulting firm.

Answer: B

112) The costs incurred when a firm buys on the marketplace what it cannot make itself are referred to as:

- A) switching costs.
- B) transaction costs.
- C) procurement.
- D) agency costs.

Answer: B

113) Which of the following statements is NOT true about information technology's impacts on business firms?

- A) It helps firms expand in size.
- B) It helps firms lower the cost of market participation.
- C) It helps reduce internal management costs.
- D) It helps reduce transaction costs.

Answer: A

114) **According to agency theory, the firm is viewed as a(n):**

- A) unified, profit-maximizing entity.
- B) task force organization that must respond to rapidly changing environments.
- C) entrepreneurial endeavor.
- D) "nexus of contracts" among self-interested individuals.

Answer: D

115) **According to Leavitt's model of organizational resistance, the four components that must be changed in an organization in order to successfully implement a new information system are**

- A) environment, organization, structure, tasks.
- B) technology, people, culture, and structure.
- C) organization, culture, management.
- D) tasks, technology, people, and structure.

Answer: D

116) **The _____ model is used to describe the interaction of external forces that affect an organization's strategy and ability to compete.**

- A) network economics
- B) competitive forces
- C) competitive advantage
- D) demand control

Answer: B

117) **Which of the following is NOT one of the competitive forces?**

- A) suppliers
- B) other competitors
- C) external environment
- D) customers

Answer: C

118) **A manufacturer of deep-sea oil rigs may be least concerned about this marketplace force.**

- A) product differentiation
- B) traditional competitors
- C) low number of suppliers
- D) new market entrants

Answer: D

119) **A substitute product of most concern for a cable TV distributor is**

- A) satellite TV.
- B) broadcast TV.
- C) satellite radio.
- D) the Internet.

Answer: A

120) **Which of the following industries has a low barrier to entry?**

- A) automotive
- B) computer chip
- C) restaurant
- D) airline

Answer: C

121) **Which of the following can force a business and its competitors to compete on price alone?**

- A) transparent marketplace
- B) high product differentiation
- C) poor process efficiency
- D) demand control

Answer: A

122) **A firm can exercise greater control over its suppliers by having**

- A) more suppliers.
- B) fewer suppliers.
- C) global suppliers.
- D) local suppliers.

Answer: A

123) **Amazon's use of the Internet as a platform to sell books illustrates a tactical use of information services for**

- A) low-cost leadership.
- B) product differentiation.
- C) focusing on market niche.
- D) strengthening customer intimacy.

Answer: A

124) **The four major types of competitive strategy are**

- A) low-cost leadership; substitute products and services; customers; and suppliers.
- B) low-cost leadership; product differentiation; focus on market niche; and customer and supplier intimacy.
- C) new market entrants; substitute products and services; customers; and suppliers.

D) low-cost leadership; new market entrants; product differentiation; and focus on market niche.

Answer: B

125) Wal-Mart's continuous replenishment system allows it to:

- A) provide mass customization.
- B) provide an efficient customer response system.
- C) strengthen customer intimacy.
- D) achieve economy of scale.

Answer: B

126) When a firm provides a specialized product or service for a narrow target market better than competitors, they are using a _____ strategy.

- A) product differentiation
- B) market niche
- C) mass customization
- D) process efficiency

Answer: B

127) _____ is the ability to offer individually tailored products or services using the same production resources as bulk production.

- A) Mass customization
- B) Size customization
- C) Magnitude customization
- D) Dimension customization

Answer: A

128) An information system can enable a company to focus on a market niche through

- A) complex trend forecasting.
- B) tailoring products to the client.
- C) intensive product trend analysis.
- D) intensive customer data analysis.

Answer: D

129) Hilton Hotels' use of customer information software to identify the most profitable customers to direct services to is an example of using information systems to

- A) strengthen customer intimacy.
- B) differentiate their service.
- C) focus on market niche.
- D) increase efficiency.

Answer: C

130) Which industries did the first wave of e-commerce transform?

- A) air travel, books, bill payments
- B) air travel, books, music
- C) real estate, air travel, books
- D) real estate, books, bill payments

Answer: B

131) To what competitive force did the printed encyclopedia industry succumb?

- A) positioning and rivalry among competitors
- B) low cost of entry
- C) substitute products or services
- D) customer's bargaining power

Answer: C

132) Internet technology

- A) makes it easy for rivals to compete on price alone.
- B) imposes a significant cost of entry, due to infrastructure requirements.
- C) increases the difference between competitors because of the wide availability of information.
- D) makes it easy to sustain operational advantages.

Answer: A

133) The Internet raises the bargaining power of customers by

- A) creating new opportunities for building loyal customer bases.
- B) making more products available.
- C) making information available to everyone.
- D) lowering transaction costs.

Answer: C

134) The value chain model

- A) categorizes five related advantages for adding value to a firm's products or services.
- B) sees the supply chain as the primary activity for adding value.
- C) categorizes four basic strategies a firm can use to enhance its value chain.
- D) helps a firm identify points at which information technology can most effectively enhance its competitive position.

Answer: D

135) The primary activities of a firm include

- A) inbound logistics, operations, outbound logistics, sales and marketing, and service.
- B) inbound logistics, operations, outbound logistics, technology, and service.

- C) procurement, inbound logistics, operations, technology, and outbound logistics.
- D) procurement, operations, technology, sales and marketing, and services.

Answer: A

136) The secondary activities of a firm include

- A) inbound logistics, technology, outbound logistics, sales and marketing, and service.
- B) inbound logistics, organization infrastructure, outbound logistics, technology, and procurement.
- C) organization infrastructure, human resources, sales and marketing, and technology.
- D) organization infrastructure, human resources, technology, and procurement.

Answer: D

137) Benchmarking

- A) compares the efficiency and effectiveness of your business processes against strict standards.
- B) allows industry participants to influence industry-wide standards.
- C) is used to measure the speed and responsiveness of information technology.
- D) synchronizes the business processes of customers, suppliers, and trading partners.

Answer: A

138) **The most successful solutions or methods for achieving a business objective are called**

- A) value activities.
- B) best processes.
- C) core competencies.
- D) best practices.

Answer: D

139) **A collection of independent firms that use information technology to coordinate their value chains to produce a product or service for a market collectively is called a(n)**

- A) industry value chain.
- B) business ecosystem.
- C) value web.
- D) consortia.

Answer: C

140) **How are information systems used at the industry level to achieve strategic advantage?**

- A) by building industry-wide, IT-supported consortia and symposia
- B) by raising the bargaining power of suppliers
- C) by encouraging the entry of new competitors
- D) by enforcing standards that reduce the differences between competitors

Answer: A

141) If two organizations pool markets and expertise that result in lower costs and generate profits it is often referred to as creating

- A) a value web.
- B) a value chain.
- C) synergies.
- D) core competencies.

Answer: C

142) An example of synergy in business is

- A) Amazon's use of the Internet to sell books.
- B) JP Morgan Chase's merger with Bank One Corporation, which provided JP Morgan with a network of retail branches in new regions.
- C) Blockbuster combining traditional video rental with online video rental.
- D) Wal-Mart's order entry and inventory management system to coordinate with suppliers.

Answer: B

143) An information system can enhance core competencies by

- A) providing better reporting facilities.
- B) creating educational opportunities for management.
- C) allowing operational employees to interact with management.
- D) encouraging the sharing of knowledge across business units.

Answer: D

144) The more any given resource is applied to production, the lower the marginal gain in output, until a point is reached where the additional inputs produce no additional output. This is referred to as

- A) the point of no return.
- B) the law of diminishing returns.
- C) supply and demand.
- D) network inelasticity.

Answer: B

145) Network economics

- A) applies the law of diminishing returns to communities of users.
- B) applies traditional economics to networked users.
- C) sees the cost of adding new members as inconsequential.
- D) balances the high cost of adding new members to a community against the lower cost of using network infrastructure.

Answer: C

146) **In network economics, the value of a commercial software vendor's software products**

- A) increases as more people use them.
- B) decreases as more people use them.
- C) increases due to higher marginal gain in output.
- D) decreases according to the law of diminishing returns.

Answer: A

147) **A virtual company**

- A) uses the capabilities of other companies without being physically tied to those companies.
- B) uses Internet technology to maintain a virtual storefront.
- C) uses Internet technology to maintain a networked community of users.
- D) provides entirely Internet-driven services, or virtual products.

Answer: A

148) AutoNation's analytic software that mines customer data with a goal of enabling the building of automobiles that customers actually want can be categorized as using information systems for which competitive strategy?

- A) low-cost leadership
- B) product differentiation
- C) focus on market niche
- D) customer intimacy

Answer: D

149) **The emergence, for Amazon.com, of new competitors in the sphere of online shopping illustrates what disadvantage posed by the use of information systems to achieve competitive advantage?**

- A) E-commerce is affected by the law of diminishing returns.
- B) Internet technologies are universal, and therefore usable by all companies.
- C) Internet shopping produces cost transparency.
- D) The Internet enables the production or sales of substitute products or services.

Answer: B

150) You are consulting for a beverage distributor who is interested in determining the benefits it could achieve from implementing new information systems. What will you advise as the first step?

- A) Identify the business ecosystem the distributor is in.
- B) Implement a strategic transition to the new system.
- C) Perform a strategic systems analysis.
- D) Benchmark existing systems.

Answer: C

Chap 4

1) Information systems

- A) pose traditional ethical situations in new manners.
- B) raise new ethical questions.
- C) raise the same ethical questions created by the industrial revolution.
- D) raise ethical questions primarily related to information rights and obligations.

Answer: B

2) The introduction of new information technology has a

- A) dampening effect on the discourse of business ethics.
- B) ripple effect raising new ethical, social, and political issues.
- C) beneficial effect for society as a whole, while raising dilemmas for consumers.
- D) waterfall effect in raising ever more complex ethical issues.

Answer: B

3) In the information age, the obligations that individuals and organizations have **concerning rights to intellectual property fall** within the moral dimension of

- A) property rights and obligations.
- B) system quality.
- C) accountability and control.
- D) information rights and obligations.

Answer: A

4) In the information age, the obligations that individuals and organizations have **regarding the preservation of existing values and institutions fall** within the moral dimension of

- A) family and home.
- B) property rights and obligations.
- C) system quality.
- D) quality of life.

Answer: D

5) The four key technical trends responsible for current ethical stresses related to information technology are (1) doubling of computer power every 18 months, (2) data analysis advances, (3) declining data storage costs, and (4) _____.

- A) advances in wireless networking
- B) international standards for data protection
- C) networking advances and the Internet
- D) increased ease in file sharing and copying

Answer: C

- 6) Advances in data storage techniques and rapidly declining storage costs have
- A) been accompanied by relevant federal statutes protecting personal data.
 - B) made universal access possible.
 - C) doubled every 18 months.
 - D) made routine violations of privacy cheap and effective.

Answer: D

- 7) The use of computers to combine data from multiple sources and create electronic dossiers of detailed information on individuals is called
- A) profiling.
 - B) phishing.
 - C) spamming.
 - D) targeting.

Answer: A

- 8) NORA is a
- A) profiling technology used by the EU.
 - B) federal privacy law protecting networked data
 - C) new data analysis technology that finds hidden connections between data in disparate sources.
 - D) sentencing guideline adopted in 1987 mandating stiff sentences on business executives.

Answer: C

- 9) Which of the five moral dimensions of the information age do the central business activities of **ChoicePoint** raise?
- A) property rights and obligations
 - B) system quality
 - C) accountability and control
 - D) information rights and obligations

Answer: D

- 10) Accepting the potential costs, duties, and obligations for the decisions you make is referred to as
- A) responsibility.
 - B) accountability.
 - C) liability.
 - D) due process.

Answer: A

- 11) The feature of political systems in which a body of laws is in place that permits individuals to recover the damages done to them by **other actors, systems, or organizations** is referred to as

- A) accountability.
- B) responsibility.
- C) due process.
- D) liability.

Answer: D

12) The feature of social institutions that means mechanisms are in place to determine responsibility for an action is called

- A) due process.
- B) accountability.
- C) the courts of appeal.
- D) the judicial system.

Answer: B

13) The process in law-governed societies in which laws are known and understood and there is an ability to appeal to higher authorities to ensure that the laws are applied correctly is called

- A) liability.
- B) due process.
- C) the courts of appeal.
- D) accountability.

Answer: B

14) Which of the following is not one of the five steps discussed in the chapter as a process for analyzing an ethical issue?

- A) assign responsibility
- B) identify the stakeholders
- C) identify the options you can reasonably take
- D) identify and clearly describe the facts

Answer: A

15) A colleague of yours frequently takes for his own personal use small amounts of office supplies, noting that the loss to the company is minimal. You counter that if everyone were to take the office supplies, the loss would no longer be minimal. Your rationale expresses which historical ethical principle?

- A) Kant's Categorical Imperative
- B) The Golden Rule
- C) The Risk Aversion Principle
- D) The "No free lunch" rule

Answer: A

16) A classic ethical dilemma is the hypothetical case of a man stealing from a grocery store in order to feed his starving family. If you used the Utilitarian Principle to evaluate this situation,

you might argue that stealing the food is

- A) acceptable, because the grocer suffers the least harm.
- B) acceptable, because the higher value is the survival of the family.
- C) wrong, because the man would not want the grocery to steal from him.
- D) wrong, because if everyone were to do this, the concept of personal property is defeated.

Answer: B

17) Immanuel Kant's Categorical Imperative states that

- A) if an action cannot be taken repeatedly, then it is not right to be taken at any time.
- B) one should take the action that produces the least harm or incurs the least cost.
- C) one can put values in rank order and understand the consequences of various courses of action.
- D) if an action is not right for everyone to take, it is not right for anyone to take.

Answer: D

18) The ethical "no free lunch" rule states that

- A) if an action cannot be taken repeatedly, then it is not right to be taken at any time.
- B) one should take the action that produces the least harm or incurs the least cost.
- C) one can put values in rank order and understand the consequences of various courses of action.
- D) everything is owned by someone else, and that the creator wants compensation for this work.

Answer: D

19) The ethical rules discussed in the textbook

- A) are based on political philosophies.
- B) cannot be guides to actions.
- C) cannot be applied to many e-commerce situations.
- D) do not allow for competing values.

Answer: B

20) Which U.S. act restricts the information the federal government can collect and regulates what they can do with the information?

- A) Privacy Act of 1974
- B) Gramm-Leach-Bliley Act of 1999
- C) Freedom of Information Act
- D) HIPAA of 1996

Answer: A

21) FIP principles are based on the notion of the

- A) accountability of the record holder.

- B) responsibility of the record holder.
- C) mutuality of interest between the record holder and the individual.
- D) privacy of the individual.

Answer: C

- 22) The Federal Trade Commission FIP principle of Notice/Awareness states that
- A) customers must be allowed to choose how their information will be used for secondary purposes other than the supporting transaction.
 - B) data collectors must take responsible steps to assure that consumer information is accurate and secure from unauthorized use.
 - C) there is a mechanism in place to enforce FIP principles.
 - D) Web sites must disclose their information practices before collecting data.

Answer: D

- 23) Which of the following U.S. laws gives patients access to personal medical records and the right to authorize how this information can be used or disclosed?
- A) HIPAA
 - B) Gramm-Leach-Bliley Act
 - C) Privacy Protection Act
 - D) Freedom of Information Act

Answer: A

- 24) European privacy protection is _____ than in the United States.
- A) less far-reaching
 - B) less liable to laws
 - C) much less stringent
 - D) much more stringent

Answer: D

- 25) U.S. businesses are allowed to use personal data from EU countries if they
- A) have informed consent.
 - B) create a safe harbor.
 - C) develop equivalent privacy protection policies.
 - D) make their privacy protection policies publicly available.

Answer: C

- 26) When a cookie is created during a Web site visit, it is stored
- A) on the Web site computer.
 - B) on the visitor's computer.
 - C) on the ISP's computer.
 - D) in a Web directory.

Answer: B

27) The Online Privacy Alliance

- A) encourages self-regulation to develop a set of privacy guidelines for its members.
- B) protects user privacy during interactions with Web sites.
- C) has established technical guidelines for ensuring privacy.
- D) is a government agency regulating the use of customer information.

Answer: A

28) A(n) _____ model of informed consent permits the collection of personal information until the consumer specifically requests that the data not be collected.

- A) opt-in
- B) opt-out
- C) P3P
- D) PGP

Answer: B

29) P3P stands for

- A) Privacy for Personal Protection.
- B) Platform for Privacy Preferences.
- C) Personal Privacy Policy.
- D) Personal Privacy Protection.

Answer: B

30) The P3P standard is concerned with

- A) controlling pop-up ads based on user profiles and preventing ads from collecting or sending information.
- B) allowing users to surf the Web anonymously.
- C) scrambling data so that it can't be read.
- D) blocking or limiting cookies.

Answer: D

31) The limitation of trade secret protection for software is that it is difficult to prevent the ideas in the work from falling into the public domain when

- A) the courts become involved.
- B) hackers are able to break into the source code.
- C) the software is widely distributed.
- D) a new version of the software is released.

Answer: C

- 32) Intellectual property can best be described as
- A) intangible property created by individuals or corporations.
 - B) unique creative work or ideas.
 - C) tangible or intangible property created from a unique idea.
 - D) the expression of an intangible idea.

Answer: A

- 33) What legal mechanism protects the owners of intellectual property from having their work copied by others?
- A) patent protection
 - B) intellectual property law
 - C) copyright law
 - D) Fair Use Doctrine

Answer: C

- 34) "Look and feel" copyright infringement lawsuits are concerned with
- A) the distinction between tangible and intangible ideas.
 - B) the distinction between an idea and its expression.
 - C) using the graphical elements of another product.
 - D) using the creative elements of another product.

Answer: B

- 35) The strength of patent protection is that it
- A) puts the strength of law behind copyright.
 - B) allows protection from Internet theft of ideas put forth publicly.
 - C) is easy to define.
 - D) grants a monopoly on underlying concepts and ideas.

Answer: D

- 36) One of the difficulties of patent protection is
- A) that only the underlying ideas are protected.
 - B) digital media cannot be patented.
 - C) preventing the ideas from falling into public domain.
 - D) the years of waiting to receive it.

Answer: D

- 37) Which of the following adjusts copyright laws to the Internet age by making it illegal to make, distribute, or use devices that circumvent technology-based protections of copyrighted materials?
- A) Digital Millennium Copyright Act
 - B) Privacy Act

- C) Freedom of Information Act
- D) Electronic Communications Privacy Act

Answer: A

- 38) In general, it is very difficult to hold software producers liable for their software products when those products are considered to be
- A) part of a machine.
 - B) similar to books.
 - C) services.
 - D) artistic expressions.

Answer: B

- 39) _____ are not held liable for the messages they transmit.
- A) Regulated common carriers
 - B) Private individuals
 - C) Organizations and businesses
 - D) Elected officials

Answer: A

- 40) It is not feasible for companies to produce error-free software because
- A) any programming code is susceptible to error.
 - B) it is too expensive create perfect software.
 - C) errors can be introduced in the maintenance stage of development.
 - D) any software of any complexity will have errors.

Answer: B

- 41) The most common source of business system failure is
- A) software bugs.
 - B) software errors.
 - C) hardware or facilities failures.
 - D) data quality.

Answer: D

- 42) Which of the following is not one of the three principal sources of poor system performance?
- A) software bugs and errors
 - B) hardware or facility failures caused by natural or other causes.
 - C) insufficient integration with external systems.
 - D) poor input data quality.

Answer: C

- 43) The "do anything anywhere" computing environment can
- A) make work environments much more pleasant.
 - B) create economies of efficiency.
 - C) centralize power at corporate headquarters.
 - D) blur the traditional boundaries between work and family time.

Answer: D

- 44) The practice of spamming has been growing because
- A) telephone solicitation is no longer legal.
 - B) it is good advertising practice and brings in many new customers.
 - C) it helps pay for the Internet.
 - D) it is so inexpensive and can reach so many people.

Answer: D

- 45) The U.S. CAN-SPAM Act of 2003
- A) makes spamming illegal.
 - B) requires spammers to identify themselves.
 - C) has dramatically cut down spamming.
 - D) does not override state anti-spamming laws.

Answer: B

- 46) Which of the **five moral dimensions** of the information age does spamming raise?
- A) quality of life
 - B) system quality
 - C) accountability and control
 - D) information rights and obligations

Answer: A

- 47) Re-designing and automating business processes can be seen as a double-edged sword because
- A) increases in efficiency may be accompanied by job losses.
 - B) increases in efficiency may be accompanied by poor data quality.
 - C) support for middle-management decision making may be offset by poor data quality.
 - D) reliance on technology results in the loss of hands-on knowledge.

Answer: A

- 48) The term "_____ divide" refers to large disparities in access to computers and the Internet among different social groups and different locations.
- A) computer
 - B) technology
 - C) digital

D) electronic

Answer: C

49) CVS refers to

A) eyestrain related to computer display screen use.

B) carpal vision syndrome.

C) wrist injuries brought about by incorrect hand position when using a keyboard.

D) stress induced by technology.

Answer: A

50) _____ can be induced by tens of thousands of repetitions under low-impact loads.

A) CTS

B) CVS

C) RSI

D) technostress

Answer: C

Chap 5 :

1) Which type of infrastructure services provides voice and video connectivity to employees, customers, and suppliers?

A) networking

B) telephone

C) VOIP

D) telecommunications

Answer: D

2) **Which of the following is NOT an IT infrastructure service component?**

A) operating system software

B) computing platforms to provide a coherent digital environment

C) physical facility management to manage the facilities housing physical components

D) IT management services to plan and develop the infrastructure and provide project management

Answer: A

3) Place the following eras of IT infrastructure evolution in order, from earliest to most recent: (1) Cloud Computing Era (2) Client/Server, (3) Enterprise Era, (4) Personal Computer, and (5) Mainframe and Minicomputer.

A) 4, 5, 3, 2, 1

B) 5, 4, 2, 3, 1

C) 4, 5, 2, 3, 1

D) 5, 4, 2, 1, 3

Answer: A

4) The introduction of the minicomputer:

- A) allowed computers to be customized to the specific needs of departments or business units.
- B) enabled decentralized computing.
- C) offered new, powerful machines at lower prices than mainframes.
- D) all of the above.

Answer: D

5) **In a multi-tiered network:**

- A) the work of the entire network is centralized.
- B) the work of the entire network is balanced over several levels of servers.
- C) processing is split between clients and servers.
- D) processing is handled by multiple, geographically remote clients.

Answer: B

6) **A client computer networked to a server computer, with processing split between the two types of machines, is called a(n):**

- A) service-oriented architecture.
- B) on-demand architecture.
- C) multi-tiered client/server architecture.
- D) two-tiered client/server architecture.

Answer: D

7) **Interpretations of Moore's law assert that:**

- A) computing power doubles every 18 months.
- B) transistors decrease in size 50% every two years.
- C) data storage costs decrease by 50% every 18 months.
- D) none of the above.

Answer: A

8) Today's nanotechnology-produced computer transistors are roughly equivalent in size to:

- A) the width of a fingernail.
- B) a human hair.
- C) a virus.
- D) an atom.

Answer: C

9) **Which of the following factors provides an understanding of why computing resources today are ever more available than in previous decades?**

- A) network economics

- B) law of mass digital storage and Moore's law
- C) declining communications costs, universal standards, and the Internet
- D) all of the above

Answer: D

10) Specifications that establish the compatibility of products and the ability to communicate in a network are called

- A) network standards.
- B) telecommunications standards.
- C) technology standards.
- D) Internet standards.

Answer: C

11) _____ unleash powerful economies of scale and result in declines in manufactured computer products.

- A) Internet and web technologies
- B) Technology standards
- C) Linux and open-source software
- D) Client/server technologies

Answer: B

12) The multitasking, multi-user, operating system developed by Bell Laboratories that operates on a wide variety of computing platforms is

- A) Unix.
- B) Linux.
- C) OS X.
- D) COBOL.

Answer: A

13) The network standard for connecting desktop computers into local area networks that enabled the widespread adoption of client/server computing and local area networks and further stimulated the adoption of personal computers is

- A) TCP/IP
- B) COBOL
- C) Ethernet
- D) ASCII

Answer: C

14) **Software that manages the resources of the computer is called**

- A) operating system software.
- B) application software.

- C) data management software.
- D) network software.

Answer: A

- 15) A SAN is a _____ network.
- A) server area
 - B) storage area
 - C) scalable architecture
 - D) service-oriented architecture

Answer: B

- 16) The leading networking hardware providers include
- A) Dell, HP/Compaq, and IBM.
 - B) Cisco, Lucent, and Nortel.
 - C) Seagate, Maxtor, and Western Digital.
 - D) IBM, Oracle, and Sun.

Answer: B

- 17) As referred to in the text, legacy systems are
- A) traditional mainframe-based business information systems.
 - B) electronic spreadsheets used on a PC.
 - C) any pre-1990 Wintel systems.
 - D) systems found on older ASPs.

Answer: A

- 18) Legacy systems are still used because they
- A) can only be run on the older mainframe computers.
 - B) are too expensive to redesign.
 - C) integrate well using new Web services technologies.
 - D) contain valuable data that would be lost during redesign.

Answer: B

- 19) Connecting geographically remote computers in a single network to create a "virtual supercomputer" is called
- A) co-location.
 - B) edge computing.
 - C) grid computing.
 - D) utility computing.

Answer: C

- 20) **Which of the following is NOT an example of the new mobile digital computing**

platforms?

- A) netbooks
- B) digital e-book readers
- C) cell phones
- D) laptops

Answer: D

21) The business case for using grid computing involves all of the following EXCEPT

- A) cost savings.
- B) increased accuracy.
- C) speed of computation.
- D) agility.

Answer: B

22) Which type of computing refers to firms purchasing computing power from remote providers and paying only for the computing power they use?

- A) on-demand
- B) grid
- C) edge
- D) autonomic

Answer: A

23) Which of the following does grid computing utilize to create enormous supercomputing power?

- A) massive unused data centers
- B) underutilized mainframe computers
- C) networked computers with idle resources
- D) networks with low usage

Answer: C

24) An example of autonomic computing is

- A) spyware protection software that runs and updates itself automatically.
- B) software programmed to run on any hardware platform.
- C) cell phones taking on the functions of handheld computers.
- D) programming languages that allow non-programmers to create custom applications.

Answer: A

25) An industry-wide effort to develop systems that can configure, optimize, tune, and heal themselves when broken, and protect themselves from outside intruders and self-destruction is called

- A) grid computing.
- B) utility computing.
- C) virtualization
- D) autonomic computing.

Answer: D

26) The process of presenting a set of computing resources (such as computing power or data storage) so that they can all be accessed in ways that are not restricted by physical configuration or geographic location is called

- A) cloud computing.
- B) autonomic computing.
- C) virtualization.

D) multicore processing.

Answer: A

27) Which type of software is created and updated by a worldwide community of programmers and available for free?

- A) software packages
- B) mashups
- C) outsourced
- D) open source

Answer: D

28) Linux is:

- A) primarily concerned with the tasks of end users.
- B) designed for specific machines and specific microprocessors.
- C) an example of open-source software.
- D) especially useful for processing numeric data.

Answer: C

29) Which of the following statements about Linux is NOT true?

- A) It plays a major role in the back office running local area networks.
- B) It is available in free versions downloadable from the Internet.
- C) It has garnered 80 percent of the server operating system market.
- D) Linux applications are embedded in cell phones, smartphones, netbooks, and other handheld devices.

Answer: C

30) Which of the following is a technique used to allow users to interact with a Web page without having to wait for the Web server to reload the Web page?

- A) UDDI

- B) widgets
- C) Ajax
- D) Java

Answer: C

31) A software tool with a graphical user interface for displaying Web pages and for accessing the Web and other Internet resources is called a:

- A) JVM.
- B) Web browser.
- C) FTP client.
- D) All of the above.

Answer: B

32) Sets of loosely coupled software components that exchange information with each other using standard Web communication standards and languages are referred to as

- A) Web services.
- B) EAI software.
- C) SOA.
- D) SOAP.

Answer: A

33) Running a Java program on a computer requires

- A) a Java Virtual Machine to be installed on the computer.
- B) a Java Virtual Machine to be installed on the server hosting the Java applet.
- C) a miniature program to be downloaded to the user's computer.
- D) no specialized software, as Java is platform-independent.

Answer: A

34) What is the foundation technology for Web services?

- A) XML
- B) HTML
- C) SOAP
- D) UDDI

Answer: A

35) A set of self-contained services that communicate with each other to create a working software application is called:

- A) Web services.
- B) EAI software.
- C) SOA.
- D) SOAP.

Answer: C

36) Which of the following is an example of an SOA environment?

- A) Amazon.com's operation of hundreds of services, such as billing or customer interface, delivered by different application servers
- B) E*Trade's use of lower-cost Linux servers that delivered increased computer performance
- C) Thermos's use of hosted Oracle systems software running on Oracle's computers
- D) None of the above

Answer: A

37) The small software programs that can be added to Web pages or placed on the desktop to provide additional functionality are referred to as

- A) Web services.
- B) applets.
- C) widgets.
- D) mashups.

Answer: C

38) Software applications that are based on combining different online software applications are called

- A) integrated software.
- B) Ajax.
- C) mashups.
- D) virtual software.

Answer: C

39) Your firm needs to implement electronic timesheet software and needs to keep within a small budget. Which of the following would be the most costly method of implementing this new software?

- A) purchasing a software package
- B) programming the new software in-house
- C) leasing the software over the Internet
- D) outsourcing the software programming to an overseas vendor

Answer: B

40) Prewritten, commercially available sets of software programs that eliminate the need for a firm to write its own software programs for certain functions, are referred to as

- A) software packages.
- B) mashups.
- C) outsourced software.
- D) open source software.

Answer: A

41) A formal contract between customers and their service providers that outlines the specific responsibilities of the service provider and to the customer is called a(n)

- A) SOA
- B) SLA
- C) TCO
- D) RFQ

Answer: B

42) SaaS refers to

- A) supplying online access over networks to storage devices and storage area network technology.
- B) managing combinations of applications, networks, systems, storage, and security as well as providing Web site and systems performance monitoring to subscribers over the Internet.
- C) hosting and managing access to software applications delivered over the Internet to clients on a subscription basis.
- D) none of the above.

Answer: C

43) The practice of contracting custom software development to an outside firm is commonly referred to as

- A) outsourcing.
- B) scaling.
- C) service-oriented architecture.
- D) application integration.

Answer: A

44) Which of the following is not a challenge being faced by Salesforce.com, as discussed in the chapter case?

- A) increased competition from traditional industry leaders such as Microsoft and SAP
- B) continuing to differentiate its product and develop complementary new products and services
- C) maintaining 24/7 availability for clients
- D) moving into a more scalable, on-demand environment

Answer: D

45) Which of the following refers to the ability of a computer, product, or system to expand to serve a larger number of users without breaking down?

- A) modality
- B) scalability
- C) expandability
- D) disintermediation

Answer: B

46) How would you determine the market demand for your firm's IT services?

- A) Perform a TCO analysis.
- B) Benchmark your services.
- C) Hold focus groups to assess your services.
- D) Analyze sales returns on key investments.

Answer: C

47) Which of the following is not one of the main six factors to consider when evaluating how much your firm should spend on IT infrastructure?

- A) your firm's business strategy
- B) the IT investments made by competitor firms
- C) market demand for your firm's services
- D) your firm's organizational culture

Answer: D

48) Your firm, an auto parts manufacturer, has just merged with an automobile engine manufacturer, and the two companies have different SCM systems. Which of the following strategies would be the most likely course to help to reduce the TCO of the merged firms' technology investments?

- A) Use Web services to join the two systems.
- B) Move one firm into using the other's system in order to centralize management and support services.
- C) Develop single ERP system that encompasses the information needs and business processes of both firms.
- D) Purchase a hosted, on-demand ERP system that encompasses the needs and processes of both firms.

Answer: B

49) Which model can be used to analyze the direct and indirect costs to help firms determine the actual cost of specific technology implementations?

- A) total cost of ownership
- B) return on investment
- C) breakeven point
- D) cost benefit analysis

Answer: A

50) Hardware and software acquisition costs account for about _____ percent of TCO.

- A) 20
- B) 40
- C) 60
- D) 80

Answer: A

Chap 6

21) Which of the following is NOT one of the main problems with a traditional file environment?

- A) data inconsistency
- B) program-data independence
- C) lack of flexibility in creating ad-hoc reports
- D) poor security

Answer: B

Diff: 2 Page Ref: 211-212

AACSB: Use of information technology

CASE: Analysis

Objective: 6.1

22) A DBMS reduces data redundancy and inconsistency by

- A) enforcing referential integrity.
- B) uncoupling program and data.
- C) utilizing a data dictionary.
- D) minimizing isolated files with repeated data.

Answer: D

Diff: 3 Page Ref: 213

AACSB: Use of information technology

CASE: Content

Objective: 6.1

23) Which of the following best illustrates the relationship between entities and attributes?

- A) the entity CUSTOMER with the attribute PRODUCT
- B) the entity CUSTOMER with the attribute PURCHASE
- C) the entity PRODUCT with the attribute PURCHASE
- D) the entity PRODUCT with the attribute CUSTOMER

Answer: B

Diff: 3 Page Ref: 210

AACSB: Analytic skills

CASE: Analysis

Objective: 6.3

24) A characteristic or quality describing an entity is called a(n)

- A) field.
- B) tuple.
- C) key field.
- D) attribute.

Answer: D

Diff: 1 Page Ref: 210

AACSB: Use of information technology

CASE: Content

Objective: 6.3

25) Which of the following non-digital data storage items is most similar to a database?

- A) library card catalog.
- B) cash register receipt.
- C) doctor's office invoice.
- D) list of sales totals on a spreadsheet.

Answer: A

Diff: 2 Page Ref: 210-211

AACSB: Analytic skills

CASE: Analysis

Objective: 6.1

26) The confusion created by _____ makes it difficult for companies to create customer relationship management, supply chain management, or enterprise systems that integrate data from different sources.

- A) batch processing
- B) data redundancy
- C) data independence
- D) online processing

Answer: B

Diff: 1 Page Ref: 211

AACSB: Use of information technology

CASE: Content

Objective: 6.1

27) **Duplicate data in multiple data files is called data _____.**

- A) redundancy
- B) repetition
- C) independence
- D) partitions

Answer: A

Diff: 1 Page Ref: 211

AACSB: Use of information technology

CASE: Content

Objective: 6.1

28) **A DBMS makes the**

- A) physical database available for different logical views.
- B) logical database available for different analytical views.
- C) physical database available for different analytical views.
- D) relational database available for different physical views.

Answer: A

Diff: 2 Page Ref: 212

AACSB: Use of information technology

CASE: Content

Objective: 6.2

29) The logical view

- A) shows how data are organized and structured on the storage media.
- B) presents an entry screen to the user.
- C) allows the creation of supplementary reports.
- D) presents data as they would be perceived by end users.

Answer: D

Diff: 2 Page Ref: 212

AACSB: Use of information technology

CASE: Content

Objective: 6.2

30) DBMS for midrange computers include all of the following EXCEPT

- A) DB2.
- B) Oracle.
- C) Microsoft SQL Server.
- D) Microsoft Access.

Answer: D

Diff: 3 Page Ref: 213

AACSB: Use of information technology

CASE: Content

Objective: 6.2

31) The type of logical database model that treats data as if they were stored in two-dimensional tables is the

- A) OODBMS.
- B) pre-digital DBMS.
- C) relational DBMS.
- D) hierarchical DBMS.

Answer: C

Diff: 1 Page Ref: 213

AACSB: Use of information technology

CASE: Content

Objective: 6.2

32) Oracle Database Lite is a(n)

- A) DBMS for small handheld computing devices.
- B) Internet DBMS.
- C) mainframe relational DBMS.
- D) DBMS for midrange computers.

Answer: A

Diff: 3 Page Ref: 213

AACSB: Use of information technology

CASE: Content

Objective: 6.2

33) **Microsoft SQL Server is a(n)**

- A) DBMS for small handheld computing devices.
- B) Internet DBMS.
- C) desktop relational DBMS.
- D) DBMS for midrange computers.

Answer: D

Diff: 3 Page Ref: 213

AACSB: Use of information technology

CASE: Content

Objective: 6.2

34) **In a table for customers, the information about a single customer would reside in a single**

- A) field.
- B) row.
- C) column.
- D) table.

Answer: B

Diff: 1 Page Ref: 214

AACSB: Use of information technology

CASE: Content

Objective: 6.3

35) In a relational database, a record is referred to in technical terms as a(n)

- A) tuple.
- B) row.
- C) entity.
- D) field.

Answer: A

Diff: 2 Page Ref: 214

AACSB: Use of information technology

CASE: Content

Objective: 6.3

36) A field identified in a table as holding the unique identifier of the table's records is called the

- A) primary key.
- B) key field.
- C) primary field.
- D) unique ID.

Answer: A

Diff: 2 Page Ref: 214

AACSB: Use of information technology

CASE: Content

Objective: 6.3

37) A field identified in a record as holding the unique identifier for that record is called the

- A) primary key.
- B) key field.
- C) primary field.
- D) unique ID.

Answer: B

Diff: 2 Page Ref: 214

AACSB: Use of information technology

CASE: Content

Objective: 6.3

38) In a relational database, the three basic operations used to develop useful sets of data are

- A) select, project, and where.
- B) select, join, and where.
- C) select, project, and join.
- D) select, from, and join.

Answer: C

Diff: 2 Page Ref: 215

AACSB: Use of information technology

CASE: Content

Objective: 6.3

39) The select operation

- A) combines relational tables to provide the user with more information than is otherwise available.
- B) creates a subset consisting of columns in a table.
- C) identifies the table from which the columns will be selected.
- D) creates a subset consisting of all records in the file that meet stated criteria.

Answer: D

Diff: 1 Page Ref: 215

AACSB: Use of information technology

CASE: Content

Objective: 6.3

40) The join operation

- A) combines relational tables to provide the user with more information than is otherwise available.
- B) identifies the table from which the columns will be selected.
- C) creates a subset consisting of columns in a table.
- D) organizes elements into segments.

Answer: A

Diff: 1 Page Ref: 215

AACSB: Use of information technology

CASE: Content

Objective: 6.3

41) The project operation

- A) combines relational tables to provide the user with more information than is otherwise available.
- B) creates a subset consisting of columns in a table.
- C) organizes elements into segments.
- D) identifies the table from which the columns will be selected.

Answer: B

Diff: 1 Page Ref: 215

AACSB: Use of information technology

CASE: Content

Objective: 6.3

42) Which of the following database types is useful for storing java applets as well as processing large numbers of transactions?

- A) relational DBMS
- B) hierarchical DBMS
- C) object-relational DBMS
- D) OODBMS

Answer: C

Diff: 2 Page Ref: 215

AACSB: Use of information technology

CASE: Content

Objective: 6.3

43) The type of database management approach that can handle multimedia is the

- A) hierarchical DBMS.
- B) relational DBMS.
- C) network DBMS.
- D) object-oriented DBMS.

Answer: D

Diff: 1 Page Ref: 215

AACSB: Use of information technology

CASE: Content

Objective: 6.3

44) The data dictionary serves as an important data management tool by

- A) assigning attributes to the data.
- B) creating an inventory of data contained in the database.
- C) presenting data as end users or business specialists would perceive them.
- D) maintaining data in updated form.

Answer: B

Diff: 2 Page Ref: 217

AACSB: Use of information technology

CASE: Content

Objective: 6.2

45) An automated or manual file that stores information about data elements and data characteristics such as usage, physical representation, ownership, authorization, and security is the

- A) data dictionary.
- B) data definition diagram.
- C) entity-relationship diagram.
- D) relationship dictionary.

Answer: A

Diff: 2 Page Ref: 217

AACSB: Use of information technology

CASE: Content

Objective: 6.2

46) The specialized language programmers use to add and change data in the database is called

- A) a data access language.
- B) a data manipulation language.
- C) structured Query language.
- D) a data definition language.

Answer: B

Diff: 1 Page Ref: 217

AACSB: Use of information technology

CASE: Content

Objective: 6.2

47) The most prominent data manipulation language today is

- A) Access.
- B) DB2.
- C) SQL.
- D) Crystal Reports.

Answer: C

Diff: 2 Page Ref: 217

AACSB: Use of information technology

CASE: Content

Objective: 6.2

48) DBMSs typically include report-generating tools in order to

- A) retrieve and display data.
- B) display data in an easier-to-read format.
- C) display data in graphs.
- D) perform predictive analysis.

Answer: B

Diff: 2 Page Ref: 219

AACSB: Use of information technology

CASE: Content

Objective: 6.1

49) The process of streamlining data to minimize redundancy and awkward many-to-many relationships is called

- A) normalization.
- B) data scrubbing.
- C) data cleansing.
- D) data defining.

Answer: A

Diff: 1 Page Ref: 219

AACSB: Use of information technology

CASE: Content

Objective: 6.3

50) A schematic of the entire database that describes the relationships in a database is called a(n)

- A) data dictionary.
- B) intersection relationship diagram.
- C) entity-relationship diagram.
- D) data definition diagram.

Answer: C

Diff: 2 Page Ref: 220

AACSB: Use of information technology

CASE: Content

Objective: 6.3

51) A one-to-one relationship between two entities is symbolized in a diagram by a line that ends with

- A) two short marks.
- B) one short mark.
- C) a crow's foot.
- D) a crow's foot topped by a short mark.

Answer: A

Diff: 3 Page Ref: 220

AACSB: Use of information technology

CASE: Content

Objective: 6.3

52) A one-to-many relationship between two entities is symbolized in a diagram by a line that ends with

- A) two short marks.
- B) one short mark.
- C) a crow's foot.
- D) a crow's foot topped by a short mark.

Answer: D

Diff: 3 Page Ref: 220

AACSB: Use of information technology

CASE: Content

Objective: 6.3

53) In what type of a database system is the entire central database duplicated at all remote locations?

- A) partitioned
- B) normalized
- C) replicated
- D) networked

Answer: C

Diff: 2 Page Ref: 221

AACSB: Use of information technology

CASE: Content

Objective: 6.3

54) Which of the following is a main disadvantage to a distributed database system?

- A) lack of flexibility
- B) susceptibility to data inconsistency
- C) poor responsiveness to local users
- D) requires more expensive computers

Answer: B

Diff: 2 Page Ref: 222

AACSB: Use of information technology

CASE: Content

Objective: 6.3

- 55) A data warehouse is composed of
- A) historical data from legacy systems.
 - B) current data.
 - C) internal and external data sources.
 - D) historic and current internal data.

Answer: D

Diff: 2 Page Ref: 223

AACSB: Use of information technology

CASE: Content

Objective: 6.4

- 56) A data mart usually can be constructed more rapidly and at lower cost than a data warehouse because

- A) a data mart typically focuses on a single subject area or line of business.
- B) all the information is historical.
- C) a data mart uses a Web interface.
- D) all of the information belongs to a single company.

Answer: A

Diff: 1 Page Ref: 225

AACSB: Use of information technology

CASE: Content

Objective: 6.4

- 57) Tools for consolidating, analyzing, and providing access to vast amounts of data to help users make better business decisions are known as

- A) DSS.
- B) business intelligence.
- C) OLAP.
- D) data mining.

Answer: B

Diff: 2 Page Ref: 226

AACSB: Use of information technology

CASE: Content

Objective: 6.4

- 58) The tool that enables users to view the same data in different ways using multiple dimensions is

- A) predictive analysis.
- B) SQL.
- C) OLAP.
- D) data mining.

Answer: C

Diff: 3 Page Ref: 226

AACSB: Use of information technology

CASE: Content

Objective: 6.4

59) OLAP is a tool for enabling

- A) users to obtain online answers to ad-hoc questions in a rapid amount of time.
- B) users to view both logical and physical views of data.
- C) programmers to quickly diagram data relationships.
- D) programmers to normalize data.

Answer: A

Diff: 1 Page Ref: 226-227

AACSB: Use of information technology

CASE: Content

Objective: 6.4

60) Data mining is a tool for allowing users to

- A) quickly compare transaction data gathered over many years.
- B) find hidden relationships in data.
- C) obtain online answers to ad hoc questions in a rapid amount of time.
- D) summarize massive amounts of data into much smaller, traditional reports.

Answer: B

Diff: 2 Page Ref: 228

AACSB: Use of information technology

CASE: Content

Objective: 6.4

61) In terms of data relationships, *associations* refers to

- A) events linked over time.
- B) patterns that describe a group to which an item belongs.
- C) occurrences linked to a single event.
- D) undiscovered groupings.

Answer: C

Diff: 3 Page Ref: 228

AACSB: Use of information technology

CASE: Content

Objective: 6.4

62) _____ tools are used to analyze large unstructured data sets, such as e-mail, memos, survey responses, etc., to discover patterns and relationships.

- A) OLAP
- B) Text mining
- C) Web mining
- D) Web content mining

Answer: B

Diff: 2 Page Ref: 229

AACSB: Use of information technology

CASE: Content

Objective: 6.4

63) An alternative to using application server software for interfacing between a Web server and back-end databases is

- A) CGI.
- B) HTML.
- C) Java.
- D) SQL.

Answer: A

Diff: 1 Page Ref: 230-231

AACSB: Use of information technology

CASE: Content

Objective: 6.4

64) The organization's rules for sharing, disseminating, acquiring, standardizing, classifying, and inventorying information is called a(n)

- A) information policy.
- B) data definition file.
- C) data quality audit.
- D) data governance policy.

Answer: A

Diff: 2 Page Ref: 231

AACSB: Use of information technology

CASE: Content

Objective: 6.5

65) The special organizational function whose responsibilities include the technical and operational aspects of managing data, including physical database design and maintenance, is called

- A) data administration.
- B) database administration.
- C) information policy administration.
- D) data auditing.

Answer: B

Diff: 1 Page Ref: 233

AACSB: Use of information technology

CASE: Content

Objective: 6.5

66) Which common database challenge is illustrated by the text's discussion of receiving multiple pieces of the same direct mail advertising?

- A) data normalization
- B) data accuracy
- C) data redundancy
- D) data inconsistency

Answer: D

Diff: 3 Page Ref: 234

AACSB: Use of information technology

CASE: Analysis

Objective: 6.5

67) Detecting and correcting data in a database or file that are incorrect, incomplete, improperly formatted, or redundant is called

- A) data auditing.
- B) defragmentation.
- C) data scrubbing.
- D) data optimization.

Answer: C

Diff: 1 Page Ref: 234

AACSB: Use of information technology

CASE: Content

Objective: 6.5

68) As discussed in the Interactive Session: Technology, what problem was MySpace facing in its data management?

- A) program-data dependence
- B) data redundancy
- C) scalability
- D) data quality

Answer: C

Diff: 3 Page Ref: 232

AACSB: Use of information technology

CASE: Content

Objective: 6.5

69) Data cleansing not only corrects errors but also

- A) establishes logical relationships between data.
- B) structures data.
- C) normalizes data.
- D) enforces consistency among different sets of data.

Answer: D

Diff: 2 Page Ref: 234

AACSB: Use of information technology

CASE: Content

Objective: 6.5

70) Which of the following is NOT a method for performing a data quality audit?

- A) surveying entire data files
- B) surveying samples from data files
- C) surveying data definition and query files
- D) surveying end users about their perceptions of data quality

Answer: C

Diff: 3 Page Ref: 234

AACSB: Analytic skills

CASE: Analysis

Objective: 6.5

Chap 7

21) A device that acts as a connection point between computers and can filter and forward data to a specified destination is called a

- A) hub.
- B) switch.
- C) router.
- D) NIC.

Answer: B

Diff: 1 Page Ref: 250

AACSB: Use of information technology

CASE: Content

Objective: 7.1

22) **The Internet is based on which three key technologies?**

- A) TCP/IP, HTML, and HTTP
- B) TCP/IP, HTTP, and packet switching
- C) Client/server computing, packet switching, and the development of communications standards for linking networks and computers
- D) Client/server computing, packet switching, and HTTP

Answer: C

Diff: 2 Page Ref: 252

AACSB: Use of information technology

CASE: Content

Objective: 7.1

23) **The method of slicing digital messages into parcels, transmitting them along different communication paths, and reassembling them at their destinations is called**

- A) multiplexing.
- B) packet switching.
- C) packet routing.
- D) ATM.

Answer: B

Diff: 1 Page Ref: 252

AACSB: Use of information technology

CASE: Content

Objective: 7.1

24) **The telephone system is an example of a _____ network.**

- A) peer-to-peer
- B) wireless
- C) packet-switched
- D) circuit-switched

Answer: D

Diff: 1 Page Ref: 252

AACSB: Use of information technology

CASE: Content

Objective: 7.1

25) Which of the following is NOT a characteristic of packet switching?

- A) Packets travel independently of each other.
- B) Packets are routed through many different paths.
- C) Packet switching requires point-to-point circuits.
- D) Packets include data for checking transmission errors.

Answer: C

Diff: 2 Page Ref: 252

AACSB: Use of information technology

CASE: Content

Objective: 7.1

26) **In TCP/IP, IP is responsible for**

- A) disassembling and reassembling of packets during transmission.
- B) establishing an Internet connection between two computers.
- C) moving packets over the network.
- D) sequencing the transfer of packets.

Answer: A

Diff: 3 Page Ref: 253

AACSB: Use of information technology

CASE: Content

Objective: 7.1

27) In a telecommunications network architecture, a protocol is

- A) a device that handles the switching of voice and data in a local area network.
- B) a standard set of rules and procedures for control of communications in a network.
- C) a communications service for microcomputer users.
- D) the main computer in a telecommunications network.

Answer: B

Diff: 2 Page Ref: 253

AACSB: Use of information technology

CASE: Content

Objective: 7.1

28) The four layers of the TCP/IP reference model are

- A) physical layer, application layer, transport layer, and the network interface layer.
- B) physical layer, application layer, Internet layer, and the network interface layer.
- C) application layer, transport layer, Internet layer, and the network interface layer.
- D) application layer, hardware layer, Internet layer, and the network interface layer.

Answer: C

Diff: 3 Page Ref: 253-254

AACSB: Use of information technology

CASE: Content

Objective: 7.1

29) Which signal types are represented by a continuous waveform?

- A) laser
- B) optical
- C) digital
- D) analog

Answer: A

Diff: 2 Page Ref: 254

AACSB: Use of information technology

CASE: Content

Objective: 7.2

30) To use an analog telephone system for sending digital data, you must use

- A) a modem.
- B) a router.
- C) DSL.
- D) twisted wire.

Answer: A

Diff: 1 Page Ref: 255

AACSB: Use of information technology

CASE: Content

Objective: 7.2

31) Which type of network is used to connect digital devices within a half-mile or 500-meter radius?

- A) microwave
- B) LAN
- C) WAN
- D) MAN

Answer: B

Diff: 2 Page Ref: 255

AACSB: Use of information technology

CASE: Content

Objective: 7.2

32) **Which type of network treats all processors equally, and allows peripheral devices to be shared without going to a separate server?**

- A) peer-to-peer
- B) wireless
- C) LAN
- D) ring

Answer: A

Diff: 2 Page Ref: 256

AACSB: Use of information technology

CASE: Content

Objective: 7.2

33) Which type of network would be most appropriate for a business that comprised three employees and a manager located in the same office space, whose primary need is to share documents?

- A) wireless network in infrastructure mode
- B) domain-based LAN
- C) peer-to-peer network
- D) campus area network

Answer: C

Diff: 2 Page Ref: 256

AACSB: Analytic skills

CASE: Evaluation

Objective: 7.2

34) In a bus network

- A) signals are broadcast to the next station.
- B) signals are broadcast in both directions to the entire network.
- C) multiple hubs are organized in a hierarchy.
- D) messages pass from computer to computer in a loop.

Answer: B

Diff: 2 Page Ref: 256

AACSB: Use of information technology

CASE: Content

Objective: 7.2

35) All network components connect to a single hub in a _____ network.

- A) star
- B) bus
- C) domain
- D) peer-to-peer

Answer: A

Diff: 2 Page Ref: 256

AACSB: Use of information technology

CASE: Content

Objective: 7.2

36) The most common Ethernet topology is

- A) bus.
- B) star.
- C) ring.
- D) mesh.

Answer: A

Diff: 3 Page Ref: 256

AACSB: Use of information technology

CASE: Content

Objective: 7.2

37) A network that spans a city, and sometimes its major suburbs as well, is called a

- A) CAN.
- B) MAN.
- C) WAN.
- D) LAN.

Answer: B

Diff: 1 Page Ref: 256

AACSB: Use of information technology

CASE: Content

Objective: 7.2

38) A network that covers entire geographical regions is most commonly referred to as a(n):

- A) local area network.
- B) intranet.
- C) peer-to-peer network.
- D) wide area network.

Answer: D

Diff: 1 Page Ref: 256

AACSB: Use of information technology

CASE: Content

Objective: 7.2

39) _____ work(s) by using radio waves to communicate with radio antennas placed within adjacent geographic areas.

- A) Cell phones
- B) Microwaves
- C) Satellites
- D) WANs

Answer: A

Diff: 1 Page Ref: 258

AACSB: Use of information technology

CASE: Content

Objective: 7.2

40) Bandwidth is the

- A) number of frequencies that can be broadcast through a medium.
- B) number of cycles per second that can be sent through a medium.
- C) difference between the highest and lowest frequencies that can be accommodated on a single channel.
- D) total number of bytes that can be sent through a medium per second.

Answer: C

Diff: 2 Page Ref: 259

AACSB: Use of information technology

CASE: Content

Objective: 7.2

41) The total amount of digital information that can be transmitted through any telecommunications medium is measured in

- A) bps.
- B) Hertz.
- C) baud.
- D) gigaflops.

Answer: A

Diff: 2 Page Ref: 259

AACSB: Use of information technology

CASE: Content

Objective: 7.2

42) Digital subscriber lines

- A) operate over existing telephone lines to carry voice, data, and video.
- B) operate over coaxial lines to deliver Internet access.
- C) are very-high-speed data lines typically leased from long-distance telephone companies.
- D) have up to twenty-four 64-Kbps channels.

Answer: A

Diff: 2 Page Ref: 260

AACSB: Use of information technology

CASE: Content

Objective: 7.3

43) T lines

- A) operate over existing telephone lines to carry voice, data, and video.
- B) operate over coaxial lines to deliver Internet access.
- C) are very-high-speed data lines typically leased from long-distance telephone companies.
- D) have up to twenty-four 64-Kbps channels.

Answer: C

Diff: 2 Page Ref: 260

AACSB: Use of information technology

CASE: Content

Objective: 7.3

44) Which protocol is the Internet based on?

- A) TCP/IP
- B) FTP
- C) packet-switching
- D) HTTP

Answer: A

Diff: 1 Page Ref: 260

AACSB: Use of information technology

CASE: Content

Objective: 7.3

45) What service converts IP addresses into more recognizable alphanumeric names?

- A) HTML
- B) DNS
- C) IP
- D) HTTP

Answer: B

Diff: 2 Page Ref: 260

AACSB: Use of information technology

CASE: Content

Objective: 7.3

46) The child domain of the root is the

- A) top-level domain.
- B) second-level domain.
- C) host name.
- D) domain extension.

Answer: A

Diff: 2 Page Ref: 260

AACSB: Use of information technology

CASE: Content

Objective: 7.3

47) In the domain name "http://myspace.blogging.com", what are the root, top-level, second-level, and third-level domains, respectively?

- A) "http://", myspace, blogging, com
- B) "http://", com, blogging, myspace
- C) ".", com, blogging, myspace
- D) ".", myspace, blogging, com

Answer: C

Diff: 2 Page Ref: 261

AACSB: Use of information technology

CASE: Content

Objective: 7.3

48) Which organization helps define the overall structure of the Internet?

- A) None (no one "owns" the Internet)
- B) W3C
- C) ICANN
- D) IAB

Answer: D

Diff: 3 Page Ref: 262

AACSB: Use of information technology

CASE: Content

Objective: 7.3

49) IPv6 is being developed in order to

- A) update the packet transmission protocols for higher bandwidth.
- B) create more IP addresses.
- C) allow for different levels of service.
- D) support Internet2.

Answer: B

Diff: 2 Page Ref: 265

AACSB: Use of information technology

CASE: Content

Objective: 7.3

50) Which of the following services enables logging on to one computer system and working on another?

- A) FTP
- B) LISTSERV
- C) Telnet
- D) World Wide Web

Answer: C

Diff: 3 Page Ref: 263

AACSB: Use of information technology

CASE: Content

Objective: 7.3

51) Instant messaging is a type of _____ service.

- A) chat
- B) cellular
- C) Web
- D) wireless

Answer: A

Diff: 1 Page Ref: 267

AACSB: Use of information technology

CASE: Content

Objective: 7.3

52) The need in some cases for employees to have access to sexually explicit material on the Internet, such as medical researchers, suggests that companies

- A) cannot restrict Internet use.
- B) need specialized software to determine which types of material are acceptable.
- C) may need to maintain a database of acceptable Web sites.
- D) need to base their Internet use policies on the needs of the organization and culture.

Answer: D

Diff: 2 Page Ref: 268-269

AACSB: Analytic skills

CASE: Analysis

Objective: 7.3

53) _____ integrate(s) disparate channels for voice communications, data communications, instant messaging, e-mail, and electronic conferencing into a single experience.

- A) Wireless networks
- B) Intranets
- C) Virtual private networks
- D) Unified communications

Answer: D

Diff: 1 Page Ref: 270

AACSB: Use of information technology

CASE: Content

Objective: 7.3

54) A VPN

- A) is an encrypted private network configured within a public network.
- B) is more expensive than a dedicated network.
- C) provides secure, encrypted communications using Telnet.
- D) is an Internet-based service for delivering voice communications.

Answer: A

Diff: 2 Page Ref: 270

AACSB: Use of information technology

CASE: Content

Objective: 7.3

55) Web browser software requests Web pages from the Internet using which protocol?

- A) URL
- B) HTTP
- C) DNS
- D) HTML

Answer: B

Diff: 2 Page Ref: 271

AACSB: Use of information technology

CASE: Content

Objective: 7.3

56) Together, a protocol prefix, a domain name, a directory path, and a document name, are called a(n)

- A) uniform resource locator.
- B) unified resource locator.
- C) third level domain.
- D) root domain.

Answer: A

Diff: 2 Page Ref: 271

AACSB: Use of information technology

CASE: Content

Objective: 7.3

57) The open-source Web server that controls 70 percent of the market is

- A) Microsoft IIS.
- B) ASP.net.
- C) Apache HTTP server.
- D) Netscape.

Answer: C

Diff: 2 Page Ref: 272

AACSB: Use of information technology

CASE: Content

Objective: 7.3

58) What technology allows people to have content pulled from Web sites and fed automatically to their computers?

- A) FTP
- B) RSS
- C) HTTP
- D) Bluetooth

Answer: B

Diff: 2 Page Ref: 275

AACSB: Use of information technology

CASE: Content

Objective: 7.3

59) To keep internal data secure, a company employing an extranet must be sure to put a _____ in place

- A) router
- B) server
- C) firewall
- D) switch

Answer: C

Diff: 2 Page Ref: 277

AACSB: Use of information technology

CASE: Content

Objective: 7.3

60) A network that connects authorized customers, suppliers, and other business partners to portions of a firm's internal network is called a(n)

- A) intranet.
- B) extranet.
- C) enterprise network.
- D) virtual private network.

Answer: B

Diff: 2 Page Ref: 277

AACSB: Use of information technology

CASE: Content

Objective: 7.3

61) Which generation of network are wireless cellular phone systems entering?

- A) 2.5G
- B) 3G
- C) 3.5G
- D) 4G

Answer: B

Diff: 1 Page Ref: 278

AACSB: Use of information technology

CASE: Content

Objective: 7.4

62) CDMA

- A) is the major European digital cellular standard.
- B) is more expensive than GSM.
- C) transmits over several frequencies.
- D) uses the 1.9 GHz band.

Answer: C

Diff: 3 Page Ref: 278

AACSB: Use of information technology

CASE: Content

Objective: 7.4

63) The most appropriate wireless networking standard for creating PANs is

- A) I-mode.
- B) IEEE 802.11b.
- C) WiFi.
- D) Bluetooth.

Answer: D

Diff: 2 Page Ref: 279

AACSB: Use of information technology

CASE: Content

Objective: 7.4

64) Bluetooth can be used to link up to _____ devices within a 10-meter area using low-power, radio-based communication.

- A) four
- B) six
- C) eight
- D) ten

Answer: C

Diff: 3 Page Ref: 279

AACSB: Use of information technology

CASE: Content

Objective: 7.4

65) The Wi-Fi 802.11a standard can transmit up to

- A) 54 Mbps in the 5-GHz frequency range.
- B) 11 Mbps in the 2.4-GHz frequency range.
- C) 54 Mbps in the 2.4-GHz frequency range.
- D) 722 Kbps in the 2.4-GHz frequency range.

Answer: A

Diff: 3 Page Ref: 280

AACSB: Use of information technology

CASE: Content

Objective: 7.4

66) One or more access points positioned on a ceiling, wall, or other strategic spot in a public place to provide maximum wireless coverage for a specific area are referred to as

- A) touch points.
- B) hotspots.
- C) hot points.
- D) wireless hubs.

Answer: B

Diff: 2 Page Ref: 281

AACSB: Use of information technology

CASE: Content

Objective: 7.4

67) The IEEE standard for the WiMax is

- A) IEEE 802.15.
- B) IEEE 802.11.
- C) IEEE 802.16.
- D) IEEE 802.20.

Answer: C

Diff: 3 Page Ref: 281

AACSB: Use of information technology

CASE: Content

Objective: 7.4

68) The WiMax standard can transmit up to a distance of approximately

- A) 30 meters.
- B) 500 meters.
- C) 30 miles.
- D) 5 miles.

Answer: C

Diff: 3 Page Ref: 281

AACSB: Use of information technology

CASE: Content

Objective: 7.4

69) Passive RFID tags

- A) have their own power source.
- B) have a range of several feet.
- C) enable data to be rewritten and modified.
- D) are used in automated toll-collection systems.

Answer: B

Diff: 2 Page Ref: 283

AACSB: Use of information technology

CASE: Content

Objective: 7.5

70) Based on your reading of the examples in the chapter, what would be the best use of RFID for a business?

- A) transactions
- B) supply chain management
- C) lowering network costs
- D) enabling client communication

Answer: B

Diff: 2 Page Ref: 282-283

AACSB: Analytic skills

CASE: Evaluation

Objective: 7.5

Chap 8

21) _____ refers to policies, procedures, and technical measures used to prevent unauthorized access, alternation, theft, or physical damage to information systems.

- A) "Security"
- B) "Controls"
- C) "Benchmarking"
- D) "Algorithms"

Answer: A

Diff: 2 Page Ref: 295

AACSB: Use of information technology

CASE: Content

Objective: 8.1

22) _____ refers to all of the methods, policies, and organizational procedures that ensure the safety of the organization's assets, the accuracy and reliability of its accounting records, and operational adherence to management standards.

- A) "Legacy systems"
- B) "SSID standards"
- C) "Vulnerabilities"
- D) "Controls"

Answer: D

Diff: 2 Page Ref: 295

AACSB: Use of information technology

CASE: Content

Objective: 8.1

23) Large amounts of data stored in electronic form are _____ than the same data in manual form.

- A) less vulnerable to damage
- B) more secure
- C) vulnerable to many more kinds of threats
- D) more critical to most businesses

Answer: C

Diff: 1 Page Ref: 295

AACSB: Analytic skills

CASE: Evaluation

Objective: 8.1

24) Electronic data are more susceptible to destruction, fraud, error, and misuse because information systems concentrate data in computer files that

- A) are usually bound up in legacy systems that are difficult to access and difficult to correct in case of error.
- B) are not secure because the technology to secure them did not exist at the time the files were created.
- C) have the potential to be accessed by large numbers of people and by groups outside of the organization.

D) are frequently available on the Internet.

Answer: C

Diff: 2 Page Ref: 295-296

AACSB: Analytic skills

CASE: Analysis

Objective: 8.1

25) Specific security challenges that threaten the communications lines in a client/server environment include

A) tapping; sniffing; message alteration; radiation.

B) hacking; vandalism; denial of service attacks.

C) theft, copying, alteration of data; hardware or software failure.

D) unauthorized access; errors; spyware.

Answer: A

Diff: 3 Page Ref: 295

AACSB: Analytic skills

CASE: Analysis

Objective: 8.1

26) Specific security challenges that threaten clients in a client/server environment include

A) tapping; sniffing; message alteration; radiation.

B) hacking; vandalism; denial of service attacks.

C) theft, copying, alteration of data; hardware or software failure.

D) unauthorized access; errors; spyware.

Answer: D

Diff: 2 Page Ref: 295

AACSB: Analytic skills

CASE: Analysis

Objective: 8.1

27) Specific security challenges that threaten corporate servers in a client/server environment include

A) tapping; sniffing; message alteration; radiation.

B) hacking; vandalism; denial of service attacks.

C) theft, copying, alteration of data; hardware or software failure.

D) unauthorized access; errors; spyware.

Answer: B

Diff: 3 Page Ref: 295

AACSB: Analytic skills

CASE: Analysis

Objective: 8.1

28) The Internet poses specific security problems because

A) it was designed to be easily accessible.

B) everyone uses the Internet.

C) Internet standards are universal.

D) it changes so rapidly.

Answer: A

Diff: 2 Page Ref: 296

AACSB: Use of information technology

CASE: Content

Objective: 8.1

29) The main security problem on the Internet is

A) radiation.

B) bandwidth theft.

C) hackers.

D) natural disasters, such as floods and fires.

Answer: C

Diff: 1 Page Ref: 296-297

AACSB: Analytic skills

CASE: Analysis

Objective: 8.1

30) An independent computer program that copies itself from one computer to another over a network is called a

- A) worm.
- B) Trojan horse.
- C) bug.
- D) pest.

Answer: A

Diff: 2 Page Ref: 300

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

31) Sobig.F and MyDoom.A are

- A) viruses that use Microsoft Outlook to spread to other systems.
- B) worms attached to e-mail that spread from computer to computer.
- C) multipartite viruses that can infect files as well as the boot sector of the hard drive.
- D) Trojan horses used to create bot nets.

Answer: B

Diff: 3 Page Ref: 301

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

32) In 2004, ICQ users were enticed by a sales message from a supposed anti-virus vendor. On the vendor's site, a small program called Mitglieder was downloaded to the user's machine. The program enabled outsiders to infiltrate the user's machine. What type of malware is this an example of?

- A) Trojan horse
- B) virus
- C) worm
- D) spyware

Answer: A

Diff: 2 Page Ref: 301

AACSB: Analytic skills

CASE: Analysis

Objective: 8.1

33) Redirecting a Web link to a different address is a form of

- A) snooping.
- B) spoofing.
- C) sniffing.
- D) war driving.

Answer: B

Diff: 2 Page Ref: 302

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

34) A key logger is a type of

- A) worm.
- B) Trojan horse.
- C) virus.
- D) spyware.

Answer: D

Diff: 1 Page Ref: 302

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

35) How do hackers create a botnet?

- A) by infecting Web search bots with malware
- B) by using Web search bots to infect other computers
- C) by causing other people's computers to become "zombie" PCs following a master computer
- D) by infecting corporate servers with "zombie" Trojan horses that allow undetected access through a back door

Answer: C

Diff: 2 Page Ref: 303

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

36) Using numerous computers to inundate and overwhelm the network from numerous launch points is called a _____ attack.

- A) DDoS
- B) DoS
- C) pharming
- D) phishing

Answer: A

Diff: 2 Page Ref: 303

AACSB: Use of information technology

CASE: Content

Objective: 8.1

37) Which of the following is NOT an example of a computer used as a target of crime?

- A) knowingly accessing a protected computer to commit fraud
- B) accessing a computer system without authority
- C) illegally accessing stored electronic communication
- D) threatening to cause damage to a protected computer

Answer: C

Diff: 2 Page Ref: 304

AACSB: Analytic skills

CASE: Analysis

Objective: 8.1

38) Which of the following is NOT an example of a computer used as an instrument of crime?

- A) theft of trade secrets
- B) intentionally attempting to intercept electronic communication
- C) unauthorized copying of software
- D) breaching the confidentiality of protected computerized data

Answer: D

Diff: 2 Page Ref: 304

AACSB: Analytic skills

CASE: Analysis

Objective: 8.1

39) Phishing is a form of

- A) spoofing.
- B) spinning.
- C) snooping.
- D) sniffing.

Answer: A

Diff: 2 Page Ref: 304

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

40) Phishing involves

- A) setting up bogus Wi-Fi hot spots.
- B) setting up fake Web sites to ask users for confidential information.
- C) pretending to be a legitimate business's representative in order to garner information about a security system.
- D) using e-mails for threats or harassment.

Answer: B

Diff: 2 Page Ref: 304

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

41) Evil twins are

- A) Trojan horses that appears to the user to be a legitimate commercial software application.
- B) e-mail messages that mimic the e-mail messages of a legitimate business.
- C) fraudulent Web sites that mimic a legitimate business's Web site.
- D) bogus wireless networks that look legitimate to users.

Answer: D

Diff: 1 Page Ref: 304

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

42) Pharming involves

- A) redirecting users to a fraudulent Web site even when the user has typed in the correct address in the Web browser.
- B) pretending to be a legitimate business's representative in order to garner information about a security system.
- C) setting up fake Web sites to ask users for confidential information.
- D) using e-mails for threats or harassment.

Answer: A

Diff: 2 Page Ref: 305

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

43) You have been hired as a security consultant for a legal firm. Which of the following constitutes the greatest threat, in terms of security, to the firm?

- A) wireless network
- B) employees
- C) authentication procedures
- D) lack of data encryption

Answer: B

Diff: 2 Page Ref: 306

AACSB: Analytic skills

CASE: Evaluation

Objective: 8.1

44) Tricking employees to reveal their passwords by pretending to be a legitimate member of a company is called

- A) sniffing
- B) social engineering
- C) phishing
- D) pharming

Answer: B

Diff: 1 Page Ref: 306

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.1

45) How do software vendors correct flaws in their software after it has been distributed?

- A) issue bug fixes
- B) issue patches
- C) re-release software
- D) issue updated versions

Answer: B

Diff: 2 Page Ref: 307

AACSB: Use of information technology

CASE: Content

Objective: 8.1

46) The HIPAA Act of 1997

- A) requires financial institutions to ensure the security of customer data.
- B) specifies best practices in information systems security and control.
- C) imposes responsibility on companies and management to safeguard the accuracy of financial information.
- D) outlines medical security and privacy rules.

Answer: D

Diff: 2 Page Ref: 308

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.2

47) The Gramm-Leach-Bliley Act

- A) requires financial institutions to ensure the security of customer data.
- B) specifies best practices in information systems security and control.
- C) imposes responsibility on companies and management to safeguard the accuracy of financial information.
- D) outlines medical security and privacy rules.

Answer: A

Diff: 3 Page Ref: 309

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.2

48) The Sarbanes-Oxley Act

- A) requires financial institutions to ensure the security of customer data.
- B) specifies best practices in information systems security and control.
- C) imposes responsibility on companies and management to safeguard the accuracy of financial information.
- D) outlines medical security and privacy rules.

Answer: C

Diff: 2 Page Ref: 309

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.2

49) The most common type of electronic evidence is

- A) voice-mail.
- B) spreadsheets.
- C) instant messages.
- D) e-mail.

Answer: D

Diff: 2 Page Ref: 309

AACSB: Use of information technology

CASE: Content

Objective: 8.2

50) Electronic evidence on computer storage media that is not visible to the average user is called _____ data.

- A) defragmented
- B) ambient
- C) forensic
- D) recovery

Answer: B

Diff: 2 Page Ref: 310

AACSB: Use of information technology

CASE: Content

Objective: 8.2

51) Application controls

- A) can be classified as input controls, processing controls, and output controls.
- B) govern the design, security, and use of computer programs and the security of data files in general throughout the organization.
- C) apply to all computerized applications and consist of a combination of hardware, software, and manual procedures that create an overall control environment.
- D) include software controls, computer operations controls, and implementation controls.

Answer: A

Diff: 2 Page Ref: 310

AACSB: Use of information technology

CASE: Content

Objective: 8.3

52) _____ controls ensure that valuable business data files on either disk or tape are not subject to unauthorized access, change, or destruction while they are in use or in storage.

- A) Software
- B) Administrative
- C) Data security
- D) Implementation

Answer: C

Diff: 3 Page Ref: 311

AACSB: Use of information technology

CASE: Content

Objective: 8.3

53) Analysis of an information system that rates the likelihood of a security incident occurring and its cost is included in a(n)

- A) security policy.
- B) AUP.
- C) risk assessment.
- D) business impact analysis.

Answer: C

Diff: 2 Page Ref: 311

AACSB: Use of information technology

CASE: Content

Objective: 8.3

54) Statements ranking information risks and identifying security goals are included in a(n)

- A) security policy.
- B) AUP.
- C) risk assessment.
- D) business impact analysis.

Answer: A

Diff: 2 Page Ref: 311

AACSB: Use of information technology

CASE: Content

Objective: 8.3

55) An analysis of the firm's most critical systems and the impact a system's outage would have on the business is included in a(n)

- A) security policy.
- B) AUP.
- C) risk assessment.
- D) business impact analysis.

Answer: D

Diff: 3 Page Ref: 314

AACSB: Use of information technology

CASE: Content

Objective: 8.3

56) Rigorous password systems

- A) are one of the most effective security tools.
- B) may hinder employee productivity.
- C) are costly to implement.
- D) are often disregarded by employees.

Answer: B

Diff: 2 Page Ref: 316

AACSB: Use of information technology

CASE: Content

Objective: 8.4

57) An authentication token is a(n)

- A) device the size of a credit card that contains access permission data.
- B) type of smart card.
- C) gadget that displays passcodes.
- D) electronic marker attached to a digital authorization file.

Answer: C

Diff: 2 Page Ref: 316

AACSB: Use of information technology

CASE: Content

Objective: 8.4

58) Biometric authentication

- A) is inexpensive.
- B) is used widely in Europe for security applications.
- C) can use a person's face as a unique, measurable trait.
- D) only uses physical traits as a measurement.

Answer: C

Diff: 2 Page Ref: 316

AACSB: Reflective thinking skills

CASE: Content

Objective: 8.4

59) A firewall allows the organization to

- A) enforce a security policy on traffic between its network and the Internet.
- B) check the accuracy of all transactions between its network and the Internet.
- C) create an enterprise system on the Internet.
- D) check the content of all incoming and outgoing e-mail messages.

Answer: A

Diff: 2 Page Ref: 317

AACSB: Use of information technology

CASE: Content

Objective: 8.4

60) In which technique are network communications are analyzed to see whether packets are part of an ongoing dialogue between a sender and a receiver?

- A) stateful inspection
- B) intrusion detection system
- C) application proxy filtering
- D) packet filtering

Answer: A

Diff: 3 Page Ref: 318

AACSB: Use of information technology

CASE: Content

Objective: 8.4

61) _____ use scanning software to look for known problems such as bad passwords, the removal of important files, security attacks in progress, and system administration errors.

- A) Stateful inspections
- B) Intrusion detection systems
- C) Application proxy filtering technologies
- D) Packet filtering technologies

Answer: B

Diff: 2 Page Ref: 318

AACSB: Use of information technology

CASE: Content

Objective: 8.4

62) Currently, the protocols used for secure information transfer over the Internet are

- A) TCP/IP and SSL.
- B) S-HTTP and CA.
- C) HTTP and TCP/IP.
- D) SSL, TLS, and S-HTTP.

Answer: D

Diff: 1 Page Ref: 319

AACSB: Use of information technology

CASE: Content

Objective: 8.4

63) Most antivirus software is effective against

- A) only those viruses active on the Internet and through e-mail.
- B) any virus.
- C) any virus except those in wireless communications applications.
- D) only those viruses already known when the software is written.

Answer: D

Diff: 2 Page Ref: 319

AACSB: Analytic skills

CASE: Synthesis

Objective: 8.4

64) In which method of encryption is a single encryption key sent to the receiver so both sender and receiver share the same key?

- A) SSL
- B) symmetric key encryption
- C) public key encryption
- D) private key encryption

Answer: B

Diff: 2 Page Ref: 320

AACSB: Use of information technology

CASE: Content

Objective: 8.4

65) A digital certificate system

- A) uses third-party CAs to validate a user's identity.
- B) uses digital signatures to validate a user's identity.
- C) uses tokens to validate a user's identity.
- D) are used primarily by individuals for personal correspondence.

Answer: A

Diff: 2 Page Ref: 320

AACSB: Use of information technology

CASE: Content

Objective: 8.4

66) Downtime refers to periods of time in which a

- A) computer system is malfunctioning.
- B) computer system is not operational.
- C) corporation or organization is not operational.
- D) computer is not online.

Answer: B

Diff: 2 Page Ref: 321

AACSB: Use of information technology

CASE: Content

Objective: 8.4

67) Online transaction processing requires

- A) more processing time.
- B) a large server network.
- C) fault-tolerant computer systems.
- D) dedicated phone lines.

Answer: C

Diff: 1 Page Ref: 321

AACSB: Use of information technology

CASE: Content

Objective: 8.4

68) In controlling network traffic to minimize slow-downs, a technology called _____ is used to examine data files and sort low-priority data from high-priority data.

- A) high availability computing
- B) deep-packet inspection
- C) application proxy filtering
- D) stateful inspection

Answer: B

Diff: 3 Page Ref: 322

AACSB: Use of information technology

CASE: Content

Objective: 8.4

69) The development and use of methods to make computer systems recover more quickly after mishaps is called

- A) high availability computing.
- B) recovery oriented computing.
- C) fault tolerant computing.
- D) disaster recovery planning.

Answer: B

Diff: 2 Page Ref: 322

AACSB: Use of information technology

CASE: Content

Objective: 8.4

70) Smaller firms can outsource security functions to

- A) MISs
- B) CSOs
- C) MSSPs
- D) CAs

Answer: C

Diff: 2 Page Ref: 322

AACSB: Use of information technology

CASE: Content

Objective: 8.4

Chap 9

21) From your reading of the Tasty Baking Company case study, the firm implemented new information systems in order to achieve which of the main six business objectives?

- A) customer and supplier intimacy
- B) new products, services, and business models
- C) improved decision making
- D) survival

Answer: D

Diff: 3 Page Ref: 337-338

AACSB: Analytic skills

CASE: Analysis

Objective: 9.1

22) From your reading of the Tasty Baking Company case study, what enabled the firm to take maximum advantage of the new enterprise software's capabilities?

- A) willingness to normalize data
- B) adopting many changes in their business processes
- C) limiting changes to the software
- D) enforcing strict project management standards

Answer: B

Diff: 3 Page Ref: 337

AACSB: Analytic skills

CASE: Analysis

Objective: 9.4

23) A suite of integrated software modules for finance and accounting, human resources, manufacturing and production, and sales and marketing that allows data to be used by multiple functions and business processes best describes

- A) process management software.
- B) ERP systems.
- C) groupware.
- D) application software.

Answer: B

Diff: 2 Page Ref: 339

AACSB: Use of information technology

CASE: Content

Objective: 9.1

24) _____ software is built around thousands of predefined business processes from all functional areas.

- A) Process management
- B) PRM
- C) Enterprise
- D) CRM

Answer: C

Diff: 1 Page Ref: 340

AACSB: Use of information technology

CASE: Content

Objective: 9.1

25) Which of the following is NOT true about enterprise systems?

- A) Enterprise systems help firms respond rapidly to customer requests for information or products.
- B) Enterprise system data have standardized definitions and formats that are accepted by the entire organization.
- C) Enterprise software is expressly built to allow companies to mimic their unique business practices.
- D) Enterprise software includes analytical tools to evaluate overall organizational performance.

Answer: C

Diff: 2 Page Ref: 341

AACSB: Analytic skills

CASE: Synthesis

Objective: 9.1

26) **Why is overstocking warehouses not an effective solution for a problem of low availability?**

- A) It does not speed product time to market.
- B) It is an inefficient use of raw materials.
- C) It increases sales costs.

D) It increases inventory costs.

Answer: D

Diff: 2 Page Ref: 344

AACSB: Analytic skills

CASE: Analysis

Objective: 9.2

27) You have been asked to implement enterprise software for a manufacturer of kitchen appliances. What is the first step you should take?

A) Select the functions of the system you wish to use.

B) Select the business processes you wish to automate.

C) Map the company's business processes to the software's business processes.

D) Map the software's business processes to the company's business processes.

Answer: A

Diff: 2 Page Ref: 341

AACSB: Analytic skills

CASE: Evaluation

Objective: 9.1

28) When tailoring a particular aspect of a system to the way a company does business, enterprise software can provide the company with

A) configuration tables.

B) project workbooks.

C) data dictionaries.

D) middleware.

Answer: A

Diff: 2 Page Ref: 341

AACSB: Use of information technology

CASE: Content

Objective: 9.1

29) **In order to achieve maximum benefit from an enterprise software package, a business**

A) customizes the software to match all of its business processes.

B) uses only the processes in the software that match its own processes.

C) changes the way it works to match the software's business processes.

D) selects only the software that best matches its existing business processes.

Answer: C

Diff: 2 Page Ref: 341

AACSB: Use of information technology

CASE: Evaluation

Objective: 9.1

30) **Supply chain complexity and scale**

A) affect both very small companies and large, global corporations.

B) were difficult to address before the Internet.

C) result when firms produce complex products and services.

D) result when firms implement full-scale supply-chain management systems.

Answer: C

Diff: 3 Page Ref: 342

AACSB: Analytic skills

CASE: Analysis

Objective: 9.2

31) A network of organizations and business processes for procuring raw materials, transforming these materials into intermediate and finished products, and distributing the finished products to customers is called a

A) distribution channel.

B) supply chain.

C) value chain.

D) marketing channel.

Answer: B

Diff: 2 Page Ref: 342

AACSB: Reflective thinking skills

CASE: Content

Objective: 9.2

32) Components or parts of finished products are referred to as

A) upstream materials.

B) raw materials.

C) secondary products.

D) intermediate products.

Answer: D

Diff: 2 Page Ref: 343

AACSB: Reflective thinking skills

CASE: Content

Objective: 9.2

33) A company's suppliers, supplier's suppliers, and the processes for managing relationships with them is the

A) supplier's internal supply chain.

B) external supply chain.

C) upstream portion of the supply chain.

D) downstream portion of the supply chain.

Answer: C

Diff: 2 Page Ref: 343

AACSB: Reflective thinking skills

CASE: Content

Objective: 9.2

34) A company's organizations and processes for distributing and delivering products to the final customers is the

A) supplier's internal supply chain.

B) external supply chain.

C) upstream portion of the supply chain.

D) downstream portion of the supply chain.

Answer: D

Diff: 2 Page Ref: 343

AACSB: Reflective thinking skills

CASE: Content

Objective: 9.2

35) Uncertainties arise in any supply chain because of

A) inaccurate or untimely information.

B) poor integration between systems of suppliers, manufacturers, and distributors.

C) inefficient or inaccurate MIS.

D) unforeseeable events.

Answer: D

Diff: 2 Page Ref: 344

AACSB: Analytic skills

CASE: Analysis

Objective: 9.2

36) Which of the following traditional solutions enables manufacturers to deal with uncertainties in the supply chain?

- A) safety stock
- B) continuous replenishment
- C) just-in-time strategies
- D) demand planning

Answer: A

Diff: 2 Page Ref: 344

AACSB: Reflective thinking skills

CASE: Content

Objective: 9.2

37) A scheduling system for minimizing inventory by having components arrive exactly at the moment they are needed and finished goods shipped as soon as they leave the assembly line best describes a _____ strategy.

- A) just-in-time
- B) stockless
- C) bullwhip
- D) safety stock

Answer: A

Diff: 2 Page Ref: 344

AACSB: Use of information technology

CASE: Content

Objective: 9.2

38) A distortion of information about the demand for a product as it passes from one entity to the next across the supply chain is called the _____ effect.

- A) replenishment
- B) bullwhip
- C) ripple
- D) exponential

Answer: B

Diff: 1 Page Ref: 344

AACSB: Reflective thinking skills

CASE: Content

Objective: 9.2

39) Supply chain software can be classified as either supply chain _____ systems or supply chain _____ systems.

- A) push; pull
- B) demand; continual
- C) upstream; downstream
- D) planning; execution

Answer: D

Diff: 2 Page Ref: 346

AACSB: Use of information technology

CASE: Content

Objective: 9.2

40) Systems that enable a firm to generate demand forecasts for a product and to develop sourcing and manufacturing plans for that product best describes supply chain _____ systems.

- A) demand
- B) delivery
- C) planning
- D) execution

Answer: C

Diff: 2 Page Ref: 346

AACSB: Use of information technology

CASE: Content

Objective: 9.2

41) Supply chain planning systems

- A) track the physical status of goods.
- B) identify the transportation mode to use for product delivery.
- C) track the financial information involving all parties.
- D) track the status of orders.

Answer: B

Diff: 2 Page Ref: 346

AACSB: Use of information technology

CASE: Content

Objective: 9.2

42) Which supply chain planning function determines how much product is needed to satisfy all customer demands?

- A) distribution management
- B) replenishment planning
- C) demand planning
- D) order planning

Answer: C

Diff: 2 Page Ref: 346

AACSB: Use of information technology

CASE: Content

Objective: 9.2

43) Supply chain _____ systems manage the flow of products through distribution centers and warehouses to ensure that products are delivered to the right locations in the most efficient manner.

- A) demand
- B) delivery
- C) planning
- D) execution

Answer: D

Diff: 2 Page Ref: 346

AACSB: Use of information technology
CASE: Content
Objective: 9.2

44) Capabilities of supply chain planning systems would NOT include

- A) transport operations.
- B) advanced scheduling and manufacturing planning.
- C) demand planning.
- D) order planning.

Answer: A

Diff: 2 Page Ref: 346

AACSB: Use of information technology
CASE: Content
Objective: 9.2

45) From your reading of the Procter & Gamble case study, the company implemented a multi-echelon inventory optimization system to achieve which of the main six business objectives?

- A) customer and supplier intimacy
- B) operational excellence
- C) improved decision making
- D) survival

Answer: B

Diff: 2 Page Ref: 347

AACSB: Analytic skills
CASE: Evaluation
Objective: 9.2

46) A supply chain driven by actual customer orders or purchases follows a _____ model.

- A) pull-based model
- B) build-to-stock
- C) push-based
- D) replenishment-driven

Answer: A

Diff: 2 Page Ref: 350

AACSB: Use of information technology
CASE: Content
Objective: 9.2

47) A build-to-order supply-chain model is also called a _____ model.

- A) supply-driven
- B) demand-driven
- C) replenishment-driven
- D) push-based

Answer: B

Diff: 2 Page Ref: 350

AACSB: Use of information technology
CASE: Content

Objective: 9.2

48) Concurrent supply chains are made possible by which technology?

- A) pull-based technology
- B) Internet technology
- C) supply chain management systems
- D) just-in-time supply-chain technologies

Answer: B

Diff: 1 Page Ref: 351

AACSB: Use of information technology

CASE: Content

Objective: 9.2

49) Companies with effective supply chain management systems can expect

- A) improved customer service and responsiveness.
- B) cost reduction.
- C) reduced inventory levels.
- D) all of the above.

Answer: D

Diff: 1 Page Ref: 351

AACSB: Analytic skills

CASE: Evaluation

Objective: 9.2

50) A _____ is a method of interaction with a customer, such as telephone or customer service desk.

- A) point of presence
- B) touch point
- C) sales point
- D) client channel

Answer: B

Diff: 2 Page Ref: 353

AACSB: Reflective thinking skills

CASE: Content

Objective: 9.3

51) Which of the following would NOT be considered a contact point?

- A) e-mail
- B) Web site
- C) intranet
- D) retail store

Answer: C

Diff: 2 Page Ref: 353

AACSB: Use of information technology

CASE: Content

Objective: 9.3

52) _____ modules use many of the same data, tools, and systems as CRM to enhance collaboration between a company and its selling partners.

- A) SCM
- B) SFA
- C) ERM
- D) PRM

Answer: D

Diff: 2 Page Ref: 354

AACSB: Use of information technology

CASE: Content

Objective: 9.3

53) _____ modules deal with issues such as setting objectives, employee performance management, and performance-based compensation.

- A) SCM
- B) SFA
- C) ERM
- D) PRM

Answer: C

Diff: 2 Page Ref: 354

AACSB: Use of information technology

CASE: Content

Objective: 9.3

54) Customer relationship management systems typically provide software and online tools for sales, customer service, and

- A) marketing.
- B) account management.
- C) advertising.
- D) public relations.

Answer: A

Diff: 2 Page Ref: 354

AACSB: Use of information technology

CASE: Content

Objective: 9.3

55) SFA modules in CRM systems would provide tools for

- A) assigning and managing customer service requests.
- B) capturing prospect and customer data.
- C) identifying profitable and unprofitable customers.
- D) managing sales prospect and contact information.

Answer: D

Diff: 1 Page Ref: 354

AACSB: Use of information technology

CASE: Content

Objective: 9.3

56) Customer service modules in CRM systems provide tools for

- A) assigning and managing customer service requests.
- B) sales quote generation.
- C) identifying profitable and unprofitable customers.
- D) managing sales prospect and contact information.

Answer: A

Diff: 1 Page Ref: 354

AACSB: Use of information technology

CASE: Content

Objective: 9.3

57) Marketing modules in CRM systems would provide tools for

- A) managing an advice telephone line.
- B) sales quote generation.
- C) identifying profitable and unprofitable customers.
- D) managing sales prospect and contact information.

Answer: C

Diff: 1 Page Ref: 355

AACSB: Use of information technology

CASE: Content

Objective: 9.3

58) _____ software deals with employee issues that are closely related to CRM, such as setting objectives, employee performance management, performance-based compensation, and employee training?

- A) Enterprise
- B) ERM
- C) PRM
- D) ERP

Answer: B

Diff: 2 Page Ref: 354

AACSB: Use of information technology

CASE: Content

Objective: 9.3

59) Selling a customer with a checking account a home improvement loan is an example of

- A) operational CRM.
- B) direct marketing.
- C) cross-selling.
- D) cross-channel promotions.

Answer: C

Diff: 2 Page Ref: 355

AACSB: Use of information technology

CASE: Content

Objective: 9.3

60) Which of the following is an important capability for service processes that is found in most major CRM software products?

- A) returns management
- B) lead management
- C) account management
- D) events management

Answer: A

Diff: 2 Page Ref: 358

AACSB: Use of information technology

CASE: Content

Objective: 9.3

61) Which of the following is an important capability for sales processes that is found in most major CRM software products?

- A) returns management
- B) lead management
- C) channel promotions management
- D) events management

Answer: B

Diff: 3 Page Ref: 358

AACSB: Use of information technology

CASE: Content

Objective: 9.3

62) Customer relationship management applications dealing with the analysis of customer data to provide information for improving business performance best describes _____ applications.

- A) operational CRM
- B) analytical CRM
- C) SCM
- D) SFA

Answer: B

Diff: 2 Page Ref: 359

AACSB: Use of information technology

CASE: Synthesis

Objective: 9.3

63) Analytical CRM applications

- A) include tools for marketing automation.
- B) provide consolidated data for operational CRM applications.
- C) are based on data warehouses consolidated from operational CRM applications.
- D) provide customer-facing applications.

Answer: C

Diff: 2 Page Ref: 359

AACSB: Use of information technology

CASE: Content

Objective: 9.3

64) Operational CRM applications include tools for

- A) identifying buying patterns.
- B) calculating CLTV.
- C) salesforce automation.
- D) pinpointing unprofitable customers.

Answer: C

Diff: 2 Page Ref: 359

AACSB: Use of information technology

CASE: Content

Objective: 9.3

65) Analyzing sales representative and customer service representative productivity is an example of

- A) CLTV.
- B) analytical CRM.
- C) operational CRM.
- D) demand planning.

Answer: B

Diff: 2 Page Ref: 359

AACSB: Use of information technology

CASE: Content

Objective: 9.3

66) Which metric is based on the relationship between the revenue produced by a specific customer, the expenses incurred in acquiring and servicing that customer, and the expected life of the relationship between the customer and the company?

- A) churn rate
- B) CLTV
- C) cost per lead
- D) cost per sale

Answer: B

Diff: 2 Page Ref: 359

AACSB: Reflective thinking skills

CASE: Content

Objective: 9.3

67) The measurement of the number of customers who stop using or purchasing products or services from a company is called

- A) switching costs.
- B) churn rate.
- C) CLTV.
- D) switch rate.

Answer: B

Diff: 2 Page Ref: 360

AACSB: Reflective thinking skills

CASE: Content

Objective: 9.3

68) Which of the following statements about enterprise applications is NOT true?

- A) The total implementation cost of a large system might amount to four to five times the initial purchase price for the software.
- B) Enterprise applications introduce "switching costs."
- C) Enterprise applications are based on organization-wide definitions of data.
- D) Enterprise applications are best implemented when few changes in business processes are required.

Answer: D

Diff: 2 Page Ref: 360-361

AACSB: Analytic skills

CASE: Analysis

Objective: 9.4

69) _____ integrate(s) multiple applications from multiple business functions, business units, or business partners to deliver a seamless experience for the customer, employee, manager, or business partner and provide a greater degree of cross-functional integration than the traditional enterprise applications.

- A) PRM software
- B) SFA software
- C) ERP suites
- D) Service platforms

Answer: D

Diff: 2 Page Ref: 362

AACSB: Use of information technology

CASE: Content

Objective: 9.4

70) Enterprise application vendors have created _____ to make their own customer relationship management, supply chain management, and enterprise systems work closely together with each other.

- A) e-business suites
- B) ERP systems
- C) middleware
- D) legacy systems

Answer: A

Diff: 1 Page Ref: 361

AACSB: Use of information technology

CASE: Content

Objective: 9.5

Chap 10

21) **Through what channel did e-commerce first evolve?**

- A) online advertising sales
- B) internet portals
- C) online book sales
- D) Internet service providers

Answer: A

Diff: 3 Page Ref: 375

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

22) **Since the dot-com bubble burst of 2001, e-commerce revenues:**

- A) have essentially stagnated.
- B) show signs of stabilizing.
- C) have returned to solid growth.
- D) have returned to exponential growth.

Answer: C

Diff: 2 Page Ref: 376

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

23) Based on your reading of the chapter, e-commerce is

- A) still in a revolutionary phase.
- B) widely accepted by consumers, although technology is still quickly changing.
- C) not yet fully accepted by consumers, although much of its driving technology is firmly in place.
- D) well entrenched as a form of modern commerce.

Answer: A

Diff: 2 Page Ref: 376

AACSB: Analytic skills

CASE: Evaluation

Objective: 10.1

24) **The quality of ubiquity, as it relates to e-commerce, is illustrated by**

- A) the same set of standards being used across the globe.
- B) plentiful, cheap information.
- C) the enabling of commerce worldwide.
- D) the availability of Internet technology everywhere and anytime.

Answer: D

Diff: 2 Page Ref: 376

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

25) **A marketplace extended beyond traditional boundaries and removed from a temporal and geographic location is called a(n)**

- A) exchange.
- B) marketpace.
- C) online marketplace.
- D) e-hub.

Answer: B

Diff: 2 Page Ref: 376

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

26) Which development is helping expand B2B e-commerce opportunities?

- A) intranets
- B) HTTP
- C) .NET and Web services
- D) dropping of computing hardware prices

Answer: C

Diff: 3 Page Ref: 377

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

27) Which of the following is NOT a recent development in e-commerce?

- A) growth of wireless Internet connections
- B) online, interactive models for newspapers and other traditional media
- C) use of blogs as a commercial medium
- D) transformation of the music recording industry

Answer: D

Diff: 3 Page Ref: 377

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

28) How is the Internet and e-commerce causing severe disruption to the existing advertising business model?

- A) Ties between customer and businesses are being rethought.
- B) Technology players such as Yahoo! seek to dominate online advertising.
- C) New methods of advertising, such as blog advertising, are emerging.
- D) The market entry costs for online advertising services are extremely low.

Answer: B

Diff: 3 Page Ref: 377

AACSB: Analytic skills

CASE: Evaluation

Objective: 10.2

29) Which of the following is NOT one of the unique features of e-commerce technology?

- A) information density
- B) transparency
- C) richness
- D) social technology

Answer: B

Diff: 2 Page Ref: 378

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

30) The act of engaging consumers in a dialog that dynamically adjusts the experience to the individual describes which dimension of e-commerce technology?

- A) ubiquity
- B) personalization/customization
- C) richness
- D) interactivity

Answer: D

Diff: 2 Page Ref: 379

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

31) The integration of video, audio, and text marketing messages into a single marketing message and consumer experience describes which dimension of e-commerce technology?

- A) ubiquity
- B) personalization/customization
- C) richness
- D) interactivity

Answer: C

Diff: 2 Page Ref: 378

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

32) **The effort required to locate a suitable product is called**

- A) price discrimination.
- B) search costs.
- C) menu costs.
- D) transparency costs.

Answer: B

Diff: 2 Page Ref: 378

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

33) **The lowered costs of information storage, processing, and communication, along with the improvement of data quality has resulted in which unique quality of e-commerce?**

- A) information density
- B) richness
- C) customization
- D) interactivity

Answer: A

Diff: 2 Page Ref: 379

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

34) **Information density refers to the**

- A) richness♦complexity and content♦of a message.
- B) total amount and quantity of information delivered to consumers by merchants.
- C) total amount and quantity of information available to all market participants.
- D) amount of information available to reduce price transparency.

Answer: C

Diff: 2 Page Ref: 379

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

35) **Selling the same goods to different targeted groups at different prices is called price _____.**

- A) customization
- B) opacity
- C) gouging
- D) discrimination

Answer: D

Diff: 1 Page Ref: 379

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

36) **Information _____ exists when one party in a transaction has more information that is important for the transaction than the other party.**

- A) transparency
- B) asymmetry
- C) complexity
- D) imbalance

Answer: B

Diff: 1 Page Ref: 380

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

37) **The cost to a merchant of changing the price of a product is called a _____ cost.**

- A) pricing
- B) dynamic pricing
- C) menu
- D) switching

Answer: C

Diff: 2 Page Ref: 380-382

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

38) **Varying a product's price according to the supply situation of the seller is called _____ pricing.**

- A) menu
- B) flexible
- C) dynamic
- D) asymmetric

Answer: C

Diff: 2 Page Ref: 382

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

39) Compared to digital markets, traditional markets have

- A) lower search costs.
- B) stronger network effects.
- C) higher delayed gratification effects.
- D) higher transaction costs.

Answer: D

Diff: 3 Page Ref: 382

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

40) Reducing the business process layers in a distribution channel is called

- A) disintermediation.
- B) BPR.
- C) market segmentation.
- D) network effects.

Answer: A

Diff: 2 Page Ref: 383

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

41) Digital goods are goods that are

- A) produced digitally.
- B) sold over digital networks.
- C) delivered digitally.
- D) used with digital equipment.

Answer: C

Diff: 2 Page Ref: 383

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.2

42) Compared to traditional goods, digital goods have

- A) greater pricing flexibility.
- B) lower marketing costs.
- C) higher production costs.
- D) higher inventory costs.

Answer: A

Diff: 3 Page Ref: 383

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

43) Compared to traditional markets, digital markets have

- A) lower distributed delivery costs.
- B) higher marginal costs per unit.
- C) equivalent copying costs.
- D) similar inventory costs.

Answer: A

Diff: 3 Page Ref: 384

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.1

44) Which of the following Internet business models does Amazon.com use?

- A) information broker
- B) transaction broker
- C) online service provider
- D) virtual storefront

Answer: D

Diff: 2 Page Ref: 385

AACSB: Analytic skills

CASE: Analysis

Objective: 10.2

45) Which of the following businesses utilizes the content provider Internet business model?

- A) Amazon.com
- B) eBay.com
- C) CNN.com
- D) Motocross.com

Answer: C

Diff: 2 Page Ref: 385

AACSB: Analytic skills

CASE: Analysis

Objective: 10.2

46) Transaction brokers

- A) generate revenue from advertising or from directing buyers to sellers.
- B) save users money and time by processing online sales dealings.
- C) provide a digital environment where buyers and sellers can establish prices for products.
- D) sell physical products directly to consumers or individual businesses.

Answer: B

Diff: 1 Page Ref: 385

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.2

47) Online marketplaces

- A) save users money and time by processing online sales dealings.
- B) provide a digital environment where buyers and sellers can establish prices for products.
- C) create revenue by providing digital content over the Web.
- D) sell physical products directly to consumers or individual businesses.

Answer: B

Diff: 2 Page Ref: 385

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.2

48) Which of the following is an ad that opens automatically and does not disappear until the user clicks on it?

- A) pop-up ad
- B) controlled ad
- C) portal ad
- D) banner ad

Answer: A

Diff: 1 Page Ref: 386

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.2

49) Why are companies interested in setting up MySpace profiles for their products?

- A) to bypass broadcast regulations for advertising to children
- B) to gather data on MySpace users linking to them
- C) to take advantage of free advertising
- D) to create personal relationships with consumers

Answer: A

Diff: 2 Page Ref: 386

AACSB: Analytic skills

CASE: Evaluation

Objective: 10.2

50) Which Internet business model is Photobucket most closely aligned with?

- A) service provider
- B) content provider
- C) portal
- D) social network

Answer: A

Diff: 3 Page Ref: 387

AACSB: Analytic skills

CASE: Analysis

Objective: 10.2

51) A "supersite" that provides a comprehensive entry point for a huge array of Internet resources and services is called a(n):

- A) portal.
- B) online syndicator.
- C) content provider.
- D) information broker.

Answer: A

Diff: 2 Page Ref: 387

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.2

52) Pure-play businesses

- A) are an example of business-to-business electronic commerce.
- B) do not sell a physical product.
- C) are extensions of traditional bricks-and-mortar businesses.
- D) did not have an earlier existing bricks-and-mortar business before they went to the Internet.

Answer: D

Diff: 2 Page Ref: 387-388

AACSB: Reflective thinking skills

CASE: Evaluation

Objective: 10.2

53) eBay is an example of

- A) a click-and-mortar business.
- B) C2C electronic commerce.
- C) B2C electronic commerce.
- D) an online exchange.

Answer: B

Diff: 2 Page Ref: 388

AACSB: Analytic skills

CASE: Analysis

Objective: 10.3

54) Businesses retailing products and services directly via the Internet to individual consumers best describes

- A) B2B electronic commerce.
- B) C2C electronic commerce.
- C) M-commerce.
- D) B2C electronic commerce.

Answer: D

Diff: 1 Page Ref: 388

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.3

55) Consumers selling goods and services electronically to other consumers best describes:

- A) disintermediation.
- B) C2C electronic commerce.
- C) M-commerce.
- D) B2C electronic commerce.

Answer: B

Diff: 1 Page Ref: 388

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.3

56) Which Internet business model is JR.com most closely aligned with?

- A) virtual storefront
- B) exchange
- C) transaction broker
- D) online marketplace

Answer: A

Diff: 1 Page Ref: 389

AACSB: Analytic skills

CASE: Analysis

Objective: 10.2

57) Tools that record customer activities at Web sites and store them in a log for further analysis are called _____ tools.

- A) clickstream tracking
- B) customer tracking
- C) collaborative filtering
- D) filtering

Answer: A

Diff: 2 Page Ref: 391

AACSB: Use of information technology

CASE: Content

Objective: 10.3

58) A blog is typically composed of a series of

- A) blogrolls.
- B) dated entries.
- C) trackbacks.
- D) twitters.

Answer: B

Diff: 2 Page Ref: 392

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.3

59) Tools that compare user behavior and interests to make purchasing recommendations to users are called _____ tools.

- A) clickstream tracking
- B) customer tracking
- C) collaborative filtering
- D) filtering

Answer: C

Diff: 2 Page Ref: 392

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.3

60) What strategy was implemented by Stonyfield Farm in its use of blogs?

- A) low-cost leadership
- B) product differentiation
- C) focus on market niche
- D) strengthen customer and supplier intimacy

Answer: D

Diff: 3 Page Ref: 393

AACSB: Analytic skills

CASE: Analysis

Objective: 10.3

61) The organizational department responsible for handling customer service issues is the

- A) service center.
- B) customer support department.
- C) call center.
- D) sales department.

Answer: C

Diff: 2 Page Ref: 394

AACSB: Use of information technology

CASE: Content

Objective: 10.3

62) EDI is

- A) the use of Internet technologies for electronic data transactions.
- B) the exchange between two organizations of standard transactions through a network.
- C) electronic data invoicing.
- D) electronic delivery infrastructure.

Answer: B

Diff: 2 Page Ref: 394

AACSB: Use of information technology

CASE: Content

Objective: 10.3

63) The process of sourcing goods and materials, negotiating with suppliers, paying for goods, and making delivery arrangements is called

- A) procurement.
- B) e-procurement.
- C) supply chain management.
- D) electronic commerce.

Answer: A

Diff: 2 Page Ref: 394-395

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.3

64) An extranet that links a large firm to its suppliers and other key business partners is called a(n)

- A) private industrial network.
- B) e-hub.
- C) marketspace.
- D) exchange.

Answer: A

Diff: 2 Page Ref: 395

AACSB: Use of information technology

CASE: Content

Objective: 10.3

65) E-hubs are more _____ than private industrial networks.

- A) transaction-oriented
- B) collaborative
- C) independent
- D) supply-chain oriented

Answer: A

Diff: 3 Page Ref: 396

AACSB: Analytic skills

CASE: Evaluation

Objective: 10.3

66) Net marketplaces

- A) focus on continuous business process coordination between companies for supply chain management.
- B) are industry owned or operate as independent intermediaries between buyers and sellers.
- C) are geared towards short-term spot purchasing.
- D) are more relationship oriented than private industrial networks.

Answer: B

Diff: 3 Page Ref: 396

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.3

67) A third-party Net marketplace that connects many buyers and suppliers for spot purchasing is called a(n)

- A) exchange.
- B) vertical market.
- C) private exchange.
- D) e-hub.

Answer: A

Diff: 2 Page Ref: 397

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.3

68) Which of the following is NOT one of the categories of services that are popular for m-commerce?

- A) location-based services
- B) financial services
- C) games and entertainment
- D) e-books

Answer: D

Diff: 1 Page Ref: 397-399

AACSB: Analytic skills

CASE: Evaluation

Objective: 10.4

69) In the United States, m-commerce

- A) has become widely adopted.
- B) is still in its infancy.
- C) represents a major fraction of total e-commerce transactions.
- D) is growing, due to the emergence of 2G networks

Answer: B

Diff: 2 Page Ref: 397

AACSB: Reflective thinking skills

CASE: Content

Objective: 10.4

70) Which of the following statements about m-commerce payments is NOT true?

- A) Use of mobile handsets as payment devices is already well established in Europe, Japan, and South Korea.
- B) The cell phone in the United States is not connected to a wide network of financial institutions.
- C) Japanese cell phones act like mobile wallets, containing a variety of payment mechanisms.
- D) The three kinds of mobile payments systems used in Japan are mobile credit cards, mobile debit cards, and digital wallets.

Answer: D