CONCORDIA COLLEGE

MOORHEAD, MINNESOTA

- Name: _____

- Date: _____

- Section: _____

BUSN 315: Management Information Systems

Problem Set #1: Suggested Solutions

Fall 2025

INSTRUCTIONS:

- Write your name, date, and section at the top of the first page.

- This problem set is intended as a check-in assignment to ensure you are keeping up with course material. It is not designed to be overly difficult, but you are expected to answer thoughtfully.

- For multiple-choice problems, circle the best answer. Only one option is correct.

- For short-answer problems, limit your response to no more than 4 sentences.

- Unless otherwise specified, you may use your textbook, class notes, and slides.

- Submit a clean, legible copy of your work by the deadline posted in the syllabus. Late submissions will follow the course policy on late assignments.

Problem 1. Multiple Choice

1.A. Which of the following is <u>NOT</u> one of the six strategic business objectives of information systems?

    a) Operational Excellence

    b) Improved Decision Making

    c) Customer and Supplier Intimacy

    d) Unlimited Profitability

1.B. A digital firm is best described as:

    a) An organization that outsources most of its IT operations to cloud providers

    b) An organization where nearly all significant business processes and relationships are digitally enabled

    c) A company that only sells products online

    d) A firm that eliminates management layers through automation

1.C. Which of the following best illustrates the concept of time shifting in digital firms?

    a) Using AI to replace customer service agents

    b) Allowing employees to work flexible schedules and serve customers 24/7

    c) Moving data storage from local servers to cloud providers

    d) Expanding sales to international markets

1.D. Which of the following is a key challenge associated with cloud computing?

    a) Greater dependency on service providers and potential security risks

    b) Reduced ability to scale services on demand

    c) Higher costs compared to traditional in-house servers

    d) Limited global accessibility for users and employees

1.E. Which of the following best illustrates a complementary asset in MIS?

    a) Employee training programs to use new systems effectively

    b) A supportive corporate culture that values data-driven decision making

    c) Clear incentive systems that encourage innovation and IT adoption

    d) All of the above

Problem 1. Multiple Choice (continued)

1.F. Which of the following best illustrates how information systems can automate a business process?

    a) Customers tracking their orders online through FedEx

    b) A cashier scanning barcodes at checkout instead of typing in prices

    c) Airbnb connecting hosts and guests through a digital platform

    d) Executives reviewing dashboards with KPIs

1.G. Which management level primarily relies on Transaction Processing Systems (TPS)?

    a) Senior management making long-term strategic decisions

    b) Middle management monitoring performance reports

    c) Operational management handling day-to-day transactions

    d) Knowledge workers creating new knowledge

1.H. Which of the following distinguishes a Decision Support System (DSS) from a Management Information System (MIS)?

    a) DSS relies only on internal TPS data, while MIS integrates external sources

    b) DSS provides flexible analysis using external as well as internal data, while MIS focuses on routine reports

    c) MIS provides dashboards and portals, while DSS provides only printed reports

    d) MIS is used only by executives, while DSS is used only by operational staff

1.I. Which of the following is the primary purpose of a Supply Chain Management (SCM) system?

    a) Managing employee recruitment and training

    b) Automating financial reporting

    c) Coordinating the flow of goods, information, and relationships with suppliers and partners

    d) Tracking customer interactions to improve sales and marketing

1.J. Which of the following is an example of social business?

    a) A firm implementing an ERP system to integrate HR and finance

    b) Walmart using Retail Link to provide suppliers with inventory data

    c) A hospital adopting electronic medical records to share information across departments

    d) Starbucks launching "My Starbucks Idea" to crowdsource new products from customers

Problem 2. Short Answer

2.A. Briefly explain how Big Data or the Internet of Things (IoT) can improve decision-making in businesses. Provide one example.

- Big Data and IoT improve decision-making by generating large volumes of real-time data that can reveal trends and improve efficiency.
- e.g. Airlines use IoT sensors on engines to predict maintenance needs and prevent costly breakdowns.

2.B. Identify one potential benefit and one potential risk of using Artificial Intelligence (AI) in business operations.

- Benefit: Increases efficiency, reduces costs, enables 24/7 services.
- Risk: Can displace jobs, raise privacy concerns, or involve high upfront costs.

2.C. Distinguish between Enterprise Resource Planning (ERP) systems and Customer Relationship Management (CRM) systems. What is the primary purpose of each?

- ERP integrates and coordinates internal processes across departments like finance, HR, and supply chain.
- CRM focuses on managing customer interactions to improve sales, service, and relationships.

2.D. Globalization is heavily influenced by advances in information systems. Provide one example of how IT enables globalization for businesses.

- IT enables global coordination and communication in real time.
- e.g. E-commerce platforms allow companies to sell internationally, expanding markets and supply chains.

2.E. Explain the difference between tacit knowledge and explicit knowledge. Why is this distinction important for Knowledge Management Systems (KMS)?

- Tacit knowledge: Personal know-how, hard to document (e.g., experience, intuition).
- Explicit knowledge: Documented and easily shared (e.g., manuals, reports).
- KMS must capture both to preserve expertise and improve decision-making.