Experiencing MIS, 9e (Kroenke)

Chapter Extension 18 Business Process Management

- 1) A(n) ______ is a network of activities, actors, roles, repositories, and data and sequence flows that interact to accomplish a business function.
- A) business enterprise
- B) business process
- C) inventory network
- D) communication system

Answer: B

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Concept

- 2) John's furniture manufacturing company receives an order for 500 chairs from the city school. Which of the following is the first step John should take to process the order?
- A) check customer credit
- B) approve special terms
- C) verify availability
- D) prepare a quotation

Answer: D

AACSB: Reflective Thinking

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Application

- 3) A customer's credit is checked before checking the availability of goods in order to _____.
- A) increase the rate of credit approval of customers
- B) arrange for the special terms requested
- C) prevent the wastage of shipping-verification labor
- D) align the processes with organizational goals

Answer: C

AACSB: Analytical Thinking

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

4) Acecom Automobiles, an automobile manufacturing company, has always stocked steel and aluminum for its manufacturing process. However, it has now decided to procure the material directly from the manufacturer, instead of stocking it. This decision will lead to a change in

Acecom's _____.

A) product line

B) supply chain

C) credit policy

D) distribution structure

Answer: B

AACSB: Reflective Thinking

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Application

- 5) Which of the following steps is most appropriate if a company decides to assume additional risk selling to companies with lower credit scores?
- A) modifying the credit checking process
- B) implementing different ways of checking credit
- C) approving special terms before checking the credit
- D) shipping the inventory directly from the manufacturer to lower the credit

Answer: C

AACSB: Analytical Thinking

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Concept

- 6) In which of the following situations will credit checking be made the first step in the procedure of processing an order?
- A) during recession
- B) during a merger
- C) during an acquisition
- D) during inflation

Answer: A

AACSB: Analytical Thinking

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

7) Repositories are most often collections of data.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Concept

8) While processing a purchase order, if a customer's request for special terms is disapproved, the cost of checking availability and credit is wasted.

Answer: TRUE

AACSB: Analytical Thinking

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Concept

9) A substantial change in the business environment, like the onset of recession, might mean that checking credit becomes unnecessary.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Concept

10) The credit-check process is independent of the inclusion or exclusion of new categories of customers.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

11) Give an example to illustrate how business processes fail to work when misaligned with an organization's goals.

Answer: Business processes do not work well when they are misaligned with an organization's goals, objectives, or competitive strategy. The most obvious reason for changing a process is that it has efficiency or effectiveness problems. Consider a sales process. If the organization's goal is to provide high-quality service, then if the process takes too long or if it rejects credit inappropriately, it is ineffective and needs to be changed.

AACSB: Analytical Thinking

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Concept

12) How can a change in customers, product lines, and supply chains affect business processes? Answer: A new category of customers could mean that the credit-check process needs to be modified; a certain category of customers is too risky to be extended credit. All sales to customers in this category must be for cash. A change in product lines might require different ways of checking availability. A change in the supply chain might mean that a company no longer stocks some items in inventory, but ships directly from the manufacturer instead.

AACSB: Analytical Thinking

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Concept

- 13) A business will be in crisis continually, dealing with one process emergency after another, when it _____.
- A) plans to develop the business process
- B) actively seeks to change business processes
- C) waits and lets the need for change just happen to it
- D) plans to update its business process

Answer: C

AACSB: Analytical Thinking

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)?

14) Which of the following is the first step in a business process management (BPM) cycle?

A) defining business process requirements

B) creating models of business processes

C) implementing the needed business processes

D) assessing business process effectiveness

Answer: B

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)?

Classification: Concept

- 15) In which of the following types of business process management (BPM) scopes does problem resolution via committee and policy occur?
- A) functional
- B) departmental
- C) inter-enterprise
- D) enterprise

Answer: D

AACSB: Analytical Thinking

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)?

Classification: Concept

- 16) Which of the following is an example of an inter-enterprise scope?
- A) supply chain management
- B) enterprise resource management
- C) accounts management
- D) customer relationship management

Answer: A

AACSB: Analytical Thinking

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)?

17) When the assessment process indicates the	at a significant need for change has arisen, the
Business Process Management cycle is	

A) repeated

B) terminated

C) altered

D) updated

Answer: A

AACSB: Analytical Thinking

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)?

Classification: Concept

18) Business process management (BPM) cannot be applied to nonprofit organizations.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)?

Classification: Concept

19) Describe business process management (BPM) in brief.

Answer: Business process management (BPM) is a cyclical (recurring) process for systematically creating, assessing, and altering business processes. This cycle begins by creating models of business processes. The business users who have expertise and are involved in a particular process adjust and evaluate those models. Usually, teams build an as-is model that documents the current situation. Depending on the nature of a problem, new process models are then created. The next step is to create process components. Next, the new or changed business processes are implemented. Well-managed organizations don't stop there. Instead, they create policies, procedures, and committees to continually assess business process effectiveness. When a need for change arises, a company models a new, adjusted business process, and the cycle is repeated.

AACSB: Information Technology

Difficulty: 3: Challenging

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)?

- 20) Which of the following statements is TRUE about the relationship between business processes and information systems (IS)?
- A) A business process and an information system (IS) have the same purpose.
- B) An information system (IS) in an organization is used by only one business process.
- C) Every activity in a business process is a component of an information system (IS).
- D) Information system (IS) elements are embedded within a business process.

Answer: D

AACSB: Information Technology

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

Classification: Concept

21) The components and purpose of a business process and an information system are the same.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

Classification: Concept

22) Business processes and information systems overlap.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

Classification: Concept

23) A procedure is a component of an information system and is embedded within a process activity.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

24) A business process need not use just one information system.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

Classification: Concept

25) A particular information system cannot be used by multiple single business processes simultaneously.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

Classification: Concept

26) Every activity of a business process involves an information system.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

Classification: Concept

27) The relation between business processes and information systems is many-to-many.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

28) What are the three principles that relate business processes and information systems? Answer: According to the first principle, information system elements are embedded within business processes, but some activities in business processes are not part of any information system. Business processes and information systems overlap, but they are different. Second, a business process can use zero, one, or more information systems. According to the third principle, a particular information system may be used by one or more business processes.

AACSB: Information Technology

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

Classification: Concept

- 29) Which of the following statements is TRUE about choosing whether to develop information systems (IS) or business processes first?
- A) For a business process that is being constructed, building an information system (IS) after creating the business process is likely to cause problems.
- B) If an information system is built after the creation of business processes, other business processes that use the same information system (IS) can be integrated easily.
- C) If business processes are built after the information system (IS) development process, activities that are not part of the IS may not be considered.
- D) If an information system (IS) is built first, the development team should determine the requirements by itself.

Answer: C

AACSB: Information Technology

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

Classification: Concept

30) Creating computer programs and designing databases in-house is more affordable than buying off-the-shelf software.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

31) Both information systems and business processes can be purchased off-the-shelf.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

Classification: Concept

32) An advantage of an enterprise resource planning (ERP) system is that to implement it, an organization need not attempt to do everything at once.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

Classification: Concept

33) An application that works for the business processes developed initially is likely to include functions that will cater to business processes designed in the future.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

Classification: Concept

34) Enterprise resource planning (ERP) vendors do not include business processes as a part of the software package.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

35) An application that includes business processes as part of the package requires time for integration and training.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

Classification: Concept

- 36) Which of the following statements is TRUE about process problems?
- A) The task of solving a process problem is ideally given to systems analysts.
- B) An as-is diagram for business processes exists in all organizations.
- C) Business analysts prefer to use process schematics instead of Business Process Modeling Notation.
- D) When a business process has simply evolved, it is possible that no one knows the entire process.

Answer: D

AACSB: Information Technology

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-5: How Is BPM Practiced in the Real World?

Classification: Concept

- 37) Which of the following statements is TRUE about designing, creating, and implementing a new business process?
- A) Process changes that don't work can be undone easily.
- B) Computer simulation of alternative processes is inexpensive.
- C) Technology may change during the development process.
- D) Resolution of implementation problems is easier for enterprise processes.

Answer: C

AACSB: Information Technology

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

Learning Obj: LO CE18-5: How Is BPM Practiced in the Real World?

38) The difficulty of creating an as-is process diagram depends on the sophistication of the organization.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-5: How Is BPM Practiced in the Real World?

Classification: Concept

39) If employees are already using an information system (IS), one way of adjusting role resources is to improve the information system so as to facilitate a new process.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-5: How Is BPM Practiced in the Real World?

Classification: Concept

40) The resolution of implementation problems can be difficult for enterprise and inter-enterprise processes because there is no recognized authority to enforce solutions.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-5: How Is BPM Practiced in the Real World?

Classification: Concept

41) All of the following are examples of roles EXCEPT .

- A) salesperson
- B) repository
- C) credit manager
- D) inventory supervisor

Answer: B

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

42) Uber is considering using self-driving cars in their business process management plan. This _____ will help the company stay competitive.

A) improvement in effectiveness

B) idea from the CEO

C) change in technology

D) communication system

Answer: C

AACSB: Information Technology

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Concept

43) A substantial change in the market might result in the need to modify business processes.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-1: Why Do Organizations Need to Manage Business Processes?

Classification: Concept

44) The Information systems Audit and Control Association has created a set of standard practices called _____ used in the assessment stage of the BPM cycle.

A) COBOL

B) best practices

C) COBIT

D) system development

Answer: C

AACSB: Information Technology

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)?

45) A(n) documents the current situation in BPM. A) as-is model B) best practices C) baseline D) requirement sheet Answer: A AACSB: Information Technology Difficulty: 2: Moderate Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects. Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)? Classification: Concept 46) List the four stages in the BPM Cycle. Answer: Create process components. Implement Processes. Assess Results. Model Processes. AACSB: Information Technology Difficulty: 1: Easy Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects. Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)? Classification: Concept 47) is an example of a departmental scope in business process management. A) Accounts payable B) Supply chain management C) Customer relationship management D) Enterprise resource management Answer: A AACSB: Information Technology Difficulty: 1: Easy Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects. Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate? Classification: Concept 48) A(n) is a component of an IS and is embedded within a process activity. A) embedded process B) procedure C) information system D) database Answer: B AACSB: Information Technology Difficulty: 1: Easy Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects. Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate? Classification: Concept

49) Business processes and information systems are the same thing, although their purpose maybe different.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

Classification: Concept

50) The _____ relationship between business processes and information systems poses a dilemma when it comes to time build them.

A) one-to-many

B) one-to-one

C) many-to-many

D) none-to-one

Answer: C

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

Classification: Concept

51) The _____ relationship between business processes and information systems poses a dilemma when it comes to time build them.

A) one-to-many

B) one-to-one

C) many-to-many

D) none-to-one

Answer: C

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

52) Briefly describe why ERP systems are both wonderful and terrible.

Answer: When trying to decide if a business process or information system comes first, you can see why ERP systems, which promise to do everything, are both wonderful and terrible. They're wonderful because they include all the business processes and all the system components that an organization will need, at least as determined by the ERP vendor. They're terrible because, to implement ERP, an organization must attempt to do everything at once.

AACSB: Information Technology

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

Classification: Concept

53) In theory, it is better to start with business processes.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

Classification: Concept

- 54) Which of the following is an example of a real-world issue concerning BPM and the "define process problem" activity?
- A) Requirements are too difficult to specify.
- B) The best solution is not obvious.
- C) There is a resistance to change.
- D) Business analysts are not available.

Answer: D

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-5: How Is BPM Practiced in the Real World?

Classification: Concept

55) Changing technology is a challenge when creating process components in BPM development.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-5: How Is BPM Practiced in the Real World?

56) In designing a new process, two fundamentals actions are possible: keep role resources and change process structure.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-5: How Is BPM Practiced in the Real World?

Classification: Concept

57) Well-managed organizations create policy, procedures, and committees to continually assess business process effectiveness.

Answer: TRUE

AACSB: Analytical Thinking

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-2: What Are the Stages of Business Process Management (BPM)?

Classification: Concept

58) All of the following principles relate to business processes and information systems EXCEPT .

- A) information systems elements are embedded within business processes
- B) a business process can use zero, one, or more information systems
- C) a particular information system may be used by one or more business processes
- D) business processes and information systems do not overlap

Answer: D

AACSB: Information Technology

Difficulty: 2: Moderate

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-3: How Do Business Processes and Information Systems Relate?

Classification: Concept

59) If an organization knows it is going to begin with off-the-shelf software it is better to begin with the information systems first.

Answer: FALSE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects.

Learning Obj: LO CE18-4: Which Come First: Business Processes or Information Systems?

60) Ideally business analysts are well versed in Porter's models, organizational strategy, and systems alignment theory like COBIT.

Answer: TRUE

AACSB: Information Technology

Difficulty: 1: Easy

Course LO: Discuss best practices for selecting, evaluating, and managing information systems

projects.

Learning Obj: LO CE18-5: How Is BPM Practiced in the Real World?