1. Select the statement that **DOES NOT** explains the “information Systems” in business:
2. Information Systems collect, process, store, analyze, and disseminate information for a specific purposes in business
3. Information Systems are arrangements of people, data, processes, information presentation, and IT that interact to support and improve day-to-day operations in an organization
4. Information systems support the problem solving and decision making needs of various people in business organizations
5. Information Systems in business organizations must be computerized to facilitate organizational information requirements
6. Information technology plays a pivotal role in effective and efficient information dissemination within business organizations
7. Cargills (Ceylon) PLC buys Anchor Newdale Yogurt from Fonterra to be sold at all Cargills Foodcities. The inventory control system at Cargills Foodcity records the availability of items. At the end of each month the system will be generating reports on items available in the inventory and the sales made. Once a sale or a purchase is made the item availability will be updated. In case of a credit card payment the amount will be transferred from the customer’s bank account to Foodcity’s bank account.

The inputs captured by the input function of the inventory control system are:

1. Items purchased and items available
2. Items sold and items purchased
3. Updated item quantity and items sold
4. Items sold and items available
5. Monthly sales and credit card payments

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The outputs presented by the output function of the inventory control system are:

1. Items sold and items purchased
2. Updated item quantity and monthly sales
3. Monthly sales and items available
4. Items purchased and items available
5. Items sold and employee salaries

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The subsystems (processes) of the inventory control system described above are:

1. Recording credit card transaction and updating inventory
2. Updating inventory and generating monthly reports
3. Updating the balance of the customer’s account and updating the balance of the Cargills Foodcity’s account
4. Generating monthly reports and replenishing the stock
5. Paying employee salaries and hiring new employees
6. Cargills (Ceylon) PLC buys Anchor Newdale Yogurt from Fonterra to be sold at all Cargills Foodcities. The inventory control system at Cargills Foodcity records the availability of items. At the end of each month the system will be generating reports on items available in the inventory and the sales made. Once a sale or a purchase is made the item availability will be updated. In case of a credit card payment the amount will be transferred from the customer’s bank account to Foodcity’s bank account.

The stored data of the inventory control system would be:

1. Details of the Item available at the Cargills Foodcity
2. Details of the customer’s bank account
3. Details of the Item available at Fonterra
4. Details of the Cargills Foodcity’s bank account
5. Details of the employee’s working at the Cargills Foodcity
6. Cargills (Ceylon) PLC buys Anchor Newdale Yogurt from Fonterra to be sold at all Cargills Foodcities. The inventory control system at Cargills Foodcity records the availability of items. At the end of each month the system will be generating reports on items available in the inventory and the sales made. Once a sale or a purchase is made the item availability will be updated. In case of a credit card payment the amount will be transferred from the customer’s bank account to Foodcity’s bank account.

What is NOT considered a component of the inventory control system?

1. Inventory controlling software
2. The details of items available in the inventory
3. The security person at the Cargills Foodcity
4. The instructions to operate the inventory control system
5. Barcode reader capturing the items sold at the Cargills Foodcity
6. Cargills (Ceylon) PLC buys Anchor Newdale Yogurt from Fonterra to be sold at all Cargills Foodcities. The inventory control system at Cargills Foodcity records the availability of items. At the end of each month the system will be generating reports on items available in the inventory and the sales made. Once a sale or a purchase is made the item availability will be updated. In case of a credit card payment the amount will be transferred from the customer’s bank account to Foodcity’s bank account.

The inventory control system is:

1. An individual information system
2. An inter-organizational information system
3. A specific information system
4. A general information system
5. A workgroup information System
6. Cargills (Ceylon) PLC buys Anchor Newdale Yogurt from Fonterra to be sold at all Cargills Foodcities. The inventory control system at Cargills Foodcity records the availability of items. When Anchor Newdale Yogurt is running out of stock; the system will automatically send a purchase order informing Fonterra to supply 500 cups to the inventory. Depending on the quantity required the supplier will replenish the stock.

The type of system which automatically places the purchase order at the supplier is:

1. Electronic File Transfer
2. Electronic Data Interchange
3. Inventory Control System
4. Electronic Fund Transfer
5. Intercom system
6. Cargills (Ceylon) PLC buys Anchor Newdale Yogurt from Fonterra to be sold at all Cargills Foodcities. The inventory control system at Cargills Foodcity records the availability of items.

Supplier (Fonterra) is:

1. A direct user of the inventory control system
2. An unethical user of the inventory control system
3. An indirect user of the inventory control system
4. An informal user of the inventory control system
5. A common user of the inventory control system
6. Cargills (Ceylon) PLC buys Anchor Newdale Yogurt from Fonterra to be sold at all Cargills Foodcities. The inventory control system at Cargills Foodcity records the availability of items. When Anchor Newdale Yogurt is running out of stock; the system will automatically send a purchase order informing Fonterra to supply 500 cups to the inventory. Depending on the quantity required the supplier will replenish the stock.

A benefit of having a system to automatically place the purchase order at the supplier would be:

1. The delays in transactions
2. The loss of market share for Fonterra
3. The increase in competition for Cargills Foodcity
4. The secure payments by customers
5. The improved service for Cargills Foodcity
6. Manual information systems **are used** when;
7. Many people access the information system at any given time
8. Hugh amount of information is stored within the information system
9. High speed of information retrieval is expected from the information system
10. Security and privacy of data is an essential component of the information system
11. Cost of the information system is exceeding the benefit gained using it
12. For information to be valuable it should have the following characteristics **except**;
13. Being readily available for everyone as and when needed
14. Having all relevant information is present once extracted
15. Being error free enough to make business decisions
16. Having benefits of using exceed the cost of information retrieval
17. Being able to use in different business scenarios
18. “A sales manager generates a weekly sales report by considering the daily sales figures sent by a sales representative.”

Which of the following is **correct** regarding the statement above;

1. Data to the sales manager would be each sale made on a given day
2. Data to the sales representative would be weekly sales figure
3. Data to the sales manager would be daily sales figure
4. Information to the representative would be each sale made on a given day
5. Information to the sales manager would be daily sales figures
6. An **input** to an attendance management system of employees would be;
7. Date of birth of the employee
8. Finger print of the employee
9. Contact number of the employee
10. Department of the employee
11. Salary of the employee

1. Explain TWO instances where computer-based information systems (CBIS) are preferred over the manual information systems for a business.
2. Sales manager explains that “We have ten employees working in our organization. According to my observation we keep few records in the sales information file. There is no need for a computer-based system to handle sales in the business”. Do you agree with this statement? State and explain TWO reasons to justify your answer.

1. Entrepreneur explains that “We are running a family business. My wife, son and daughter along with their spouses are running the business. We manufacture scented candles for 5 small and 2 medium scale restaurants for the past 15 years. According to my observation there is need for a computer-based system to handle sales activities in the business”. Do you agree with this statement? State and explain TWO reasons to justify your answer.
2. Identify the **direct** and **indirect** **users** for thescenarios given below.
3. A student visits the library to borrow an accounting reference book. She is been assisted by the library assistant by using the library information system.
4. A sales representative enters the daily sales records. A manager is viewing the weekly sales report from the sales information system.
5. A health care worker enters the details of patients visiting a mobile medical clinic. The doctor of the clinic check the patient information from the medical record keeping system.
6. Ashan books tickets online for a movie. The operations assistant of the theatre view the booking details from the online booking system and reserve seats.
7. A customer visits a shopping mall and buy a product. His transaction and payment is recorded by the cashier using the billing system.