

MIS Quiz

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Chapter 1: Information Systems in Global Business Today

1. Which of the following is NOT one of the three major technological trends in Management Information Systems mentioned in the text?

- A) Emerging mobile digital platform
- B) Big Data
- C) Cloud Computing
- D) Artificial General Intelligence

Answer: D

2. A “digital firm” is characterized by which of the following?

- A) High reliance on manual labor
- B) Core business processes accomplished through digital networks
- C) Centralized mainframe computing only
- D) Local-only business relationships

Answer: B

3. Which of the following is NOT one of the six strategic business objectives of information systems?

- A) Operational Excellence
- B) Improved Decision Making
- C) Survival
- D) Employee Surveillance

Answer: D

4. Raw facts representing events, such as bar code readings, are defined as:

- A) Information
- B) Knowledge
- C) Data
- D) Intelligence

Answer: C

5. Which three activities in an information system produce the information organizations need?

- A) Input, Processing, Output
- B) Data, Software, Hardware
- C) Analysis, Design, Implementation
- D) Input, Storage, Deletion

Answer: A

6. Which dimension of information systems involves the physical equipment used for input, processing, and output?

- A) Organization
- B) Management
- C) Information Technology
- D) Complementary Assets

Answer: C

7. In the organizational hierarchy, who is primarily responsible for making long-range strategic decisions?

- A) Operational Management
- B) Middle Management
- C) Senior Management
- D) Knowledge Workers

Answer: C

8. Which discipline contributes to the technical approach to information systems?

- A) Sociology
- B) Psychology
- C) Computer Science
- D) Economics

Answer: C

9. The “sociotechnical systems” perspective suggests that optimal organizational performance is achieved by:

- A) Maximizing technology regardless of human needs
- B) Focusing solely on employee happiness
- C) Jointly optimizing both social and technical systems
- D) Ignoring organizational structure

Answer: C

10. Assets required to derive value from a primary investment, such as a supportive business culture, are called:

- A) Primary Assets
- B) Complementary Assets
- C) Depreciation Assets
- D) Hidden Assets

Answer: B

11. Which company is mentioned as using handheld devices (DIAD) and extensive IS for package tracking?

- A) FedEx
- B) DHL
- C) UPS
- D) USPS

Answer: C

12. The Finnish company Ponsse is used as a case study for using IS in which industry?

- A) Automobile manufacturing
- B) Wood harvesting/forestry
- C) Mobile phone production
- D) Shipping

Answer: B

13. What is the approximate annual growth rate of digital information mentioned?

- A) 1 terabyte
- B) 5 exabytes
- C) 10 petabytes
- D) 500 gigabytes

Answer: B

14. Which level of management typically monitors and controls the business and makes mid-level decisions?

- A) Senior Management
- B) Middle Management
- C) Operational Management
- D) Data Workers

Answer: B

15. Feedback in an information system is defined as:

- A) The raw input data
- B) The processing power of the CPU

- C) Output returned to help evaluate or correct input
- D) The electrical power consumption

Answer: C

16. Which of the following is an example of an Organizational Complementary Asset?

- A) Strong IS development team
- B) Incentives for innovation
- C) Internet infrastructure
- D) Technology standards

Answer: A

17. Which of the following is an example of a Managerial Complementary Asset?

- A) Efficient business processes
- B) Teamwork and collaboration environments
- C) Technology service firms
- D) Decentralized authority

Answer: B

18. The behavioral approach to information systems includes which disciplines?

- A) Computer Science, Operations Research, Physics
- B) Sociology, Psychology, Economics
- C) Management Science, Computer Science, Economics
- D) Psychology, Mathematics, Operations Research

Answer: B

19. What does the “Business Information Value Chain” represent?

- A) The cost of hardware
- B) A series of value-adding activities for acquiring, transforming, and distributing information
- C) The hierarchy of employees in a firm
- D) The connection between suppliers and customers

Answer: B

20. According to the text, what percentage of the U.S. economy depends on foreign trade?

- A) 10%
- B) 25%
- C) 33%
- D) 50%

Answer: C

21. “Time shifting” in a digital firm refers to:

- A) Working in different time zones
- B) Business operating 24/7
- C) Delaying project deadlines
- D) Recording meetings for later

Answer: B

22. “Space shifting” in a digital firm refers to:

- A) Moving to a larger office
- B) Work taking place in a global workshop/location independent
- C) Increasing storage space
- D) Moving data to the cloud

Answer: B

23. Which business function is responsible for recruiting, hiring, and training?

- A) Finance & Accounting
- B) Sales & Marketing
- C) Human Resources
- D) Manufacturing & Production

Answer: C

24. The fundamental platform for a firm’s information systems is called:

- A) The Internet
- B) IT Infrastructure
- C) The World Wide Web
- D) Big Data

Answer: B

25. Operations Research is a discipline associated with which approach to IS?

- A) Behavioral Approach
- B) Technical Approach
- C) Sociological Approach
- D) Economic Approach

Answer: B

26. Which of the following is NOT a level in a firm’s hierarchy?

- A) Senior Management
- B) Middle Management

- C) External Management
- D) Operational Management

Answer: C

27. Data workers are distinct from knowledge workers because they:

- A) Create new knowledge
- B) Process paperwork and data
- C) Make strategic decisions
- D) Perform physical labor

Answer: B

28. Which of the following is a strategic objective related to meeting regulatory requirements?

- A) Competitive Advantage
- B) Survival
- C) Customer Intimacy
- D) New Products

Answer: B

29. The variation in returns on IT investment suggests that:

- A) Investing in IT always guarantees high returns
- B) IT investments never pay off
- C) IT investments alone do not guarantee returns
- D) The more you spend, the more you earn linearly

Answer: C

30. Mashaweer is a case study regarding a personal service company in:

- A) Finland
- B) Egypt
- C) USA
- D) China

Answer: B

31. The term for converting raw input into a meaningful form is:

- A) Input
- B) Output
- C) Processing
- D) Feedback

Answer: C

32. Who typically allocates human and financial resources in an organization?

- A) The IT department
- B) Management
- C) Production workers
- D) Data entry clerks

Answer: B

33. The “flattened world” concept relates to:

- A) Reduced economic advantages due to the Internet/globalization
- B) The physical shape of the earth
- C) Flat organizational structures only
- D) The decline of global trade

Answer: A

34. Operational Excellence is primarily driven by improving:

- A) Employee salaries
- B) Efficiency and productivity
- C) Regulatory compliance
- D) Public relations

Answer: B

35. Customer and Supplier Intimacy is a strategic objective because:

- A) It lowers tax liability
- B) Strong relationships lead to loyalty and repeat business
- C) It allows for better surveillance
- D) It creates more data to store

Answer: B

36. A system that helps a company outperform competitors is aiming for:

- A) Survival
- B) Competitive Advantage
- C) Operational Excellence
- D) Compliance

Answer: B

37. Which discipline studies how human decision makers perceive and use information?

- A) Economics
- B) Sociology
- C) Psychology
- D) Computer Science

Answer: C

38. Which discipline studies the production of digital goods and market dynamics?

- A) Economics
- B) Sociology
- C) Psychology
- D) Operations Research

Answer: A

39. IT investments grew from 32% to what percentage of all invested capital between 1980 and 2011?

- A) 42%
- B) 52%
- C) 62%
- D) 72%

Answer: B

40. The technical definition of an Information System emphasizes:

- A) Human behavior
- B) Interrelated components collecting, processing, and distributing information
- C) The cost of hardware
- D) Political struggles in the office

Answer: B

41. Which of the following is considered a “Social Asset”?

- A) Decentralized authority
- B) Laws and regulations
- C) Management culture
- D) Business processes

Answer: B

42. Which component is NOT part of the sociotechnical view?

- A) Technology
- B) Organization
- C) Mutual adjustment
- D) Strict automation without human input

Answer: D

43. Apple’s iPad and iPhone are examples of:

- A) Mainframe computing
- B) The emerging mobile digital platform

- C) Legacy systems
- D) Stationery office equipment

Answer: B

44. “Big Data” refers to:

- A) Large physical hard drives
- B) Analyzing huge volumes of data from web traffic and social media
- C) The physical size of the internet
- D) Government databases only

Answer: B

45. Software as a Service (SaaS) is associated with:

- A) Cloud Computing
- B) Local storage
- C) Offline processing
- D) Mainframe era

Answer: A

46. Which business function manages cash accounts and creates financial statements?

- A) Sales & Marketing
- B) Human Resources
- C) Finance & Accounting
- D) Manufacturing

Answer: C

47. Production or service workers are responsible for:

- A) Making strategic plans
- B) Producing the product and delivering service
- C) Designing new products
- D) Hiring staff

Answer: B

48. In the UPS case, the handheld computer used by drivers is called:

- A) iPad
- B) DIAD (Delivery Information Acquisition Device)
- C) GPS Tracker
- D) SmartLog

Answer: B

49. An example of a “New Business Model” enabled by IS is:

- A) A grocery store selling food
- B) iTunes or Netflix
- C) A bank offering savings accounts
- D) A library lending books

Answer: B

50. Real-time data availability contributes most directly to which strategic objective?

- A) Survival
- B) Improved Decision Making
- C) Compliance
- D) Supplier Intimacy

Answer: B

Chapter 2: Global E-business and Collaboration

1. A set of logically related activities for accomplishing a specific business result is called a:

- A) Business Function
- B) Business Process
- C) Business Hierarchy
- D) Business Unit

Answer: B

2. Which system type serves operational management by tracking elementary activities and daily transactions?

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

Answer: C

3. Which of the following is an example of a Transaction Processing System (TPS)?

- A) Executive Digital Dashboard
- B) Payroll System
- C) Voyage-Estimating System
- D) Knowledge Management System

Answer: B

4. Systems that provide reports on current performance to middle management are called:

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

Answer: B

5. Decision Support Systems (DSS) are best described as:

- A) Systems for routine, structured decisions
- B) Systems for non-routine decisions using “what-if” analysis
- C) Systems for senior executives to view dashboards
- D) Systems for tracking daily sales

Answer: B

6. Which system serves senior management and focuses on strategic issues and long-term trends?

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

Answer: C

7. A “Digital Dashboard” is a feature typically found in:

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

Answer: B

8. Systems that span functional areas and focus on executing business processes across the firm are called:

- A) Departmental Applications
- B) Enterprise Applications
- C) Functional Systems
- D) Local Applications

Answer: B

9. Which enterprise application integrates business processes across manufacturing, accounting, finance, and HR into a single software system?

- A) SCM
- B) CRM

- C) ERP (Enterprise Systems)
- D) KMS

Answer: C

10. Supply Chain Management (SCM) systems focus on:

- A) Managing relationships with customers
- B) Managing relationships with suppliers
- C) Internal employee knowledge
- D) Executive decision making

Answer: B

11. Which system's objective is to optimize revenue, customer satisfaction, and retention?

- A) SCM
- B) ERP
- C) CRM
- D) KMS

Answer: C

12. Knowledge Management Systems (KMS) are designed to:

- A) Manage logistics
- B) Capture and apply knowledge and experience
- C) Process payroll
- D) Track inventory levels

Answer: B

13. An internal company website accessible only by employees is known as a(n):

- A) Extranet
- B) Internet
- C) Intranet
- D) Ethernet

Answer: C

14. Company websites accessible to authorized vendors and suppliers are called:

- A) Intranets
- B) Extranets
- C) Social Networks
- D) Public Domains

Answer: B

15. Use of digital technology and the Internet to execute major business processes is defined as:

- A) E-commerce
- B) E-business
- C) E-government
- D) Social Business

Answer: B

16. Buying and selling goods and services over the Internet is defined as:

- A) E-business
- B) E-commerce
- C) E-government
- D) Collaboration

Answer: B

17. “Social Business” is characterized by:

- A) Top-down command structures
- B) The use of social networking platforms to engage employees and customers
- C) Strict prohibition of personal conversation
- D) Offline team meetings

Answer: B

18. Which of the following is NOT a reason for the growing importance of collaboration?

- A) Changing nature of work
- B) Emphasis on innovation
- C) Decline in global presence
- D) Growth of professional work

Answer: C

19. According to the McKinsey prediction, social technologies could raise productivity of interaction workers by:

- A) 5-10%
- B) 20-25%
- C) 50%
- D) 100%

Answer: B

20. Which tool is classified as a “Cyberlocker”?

- A) Skype
- B) Dropbox
- C) Facebook
- D) Salesforce Chatter

Answer: B

21. Second Life is an example of which collaboration tool?

- A) Wiki
- B) Virtual World
- C) Blog
- D) Cyberlocker

Answer: B

22. Which Microsoft tool is described as browser-based collaboration with document management and Version control?

- A) Skype
- B) SharePoint
- C) Excel
- D) Outlook

Answer: B

23. The “Time/Space Collaboration Tool Matrix” classifies tools based on:

- A) Cost and Speed
- B) Same/Different Time and Same/Different Place
- C) Audio vs. Video
- D) Internal vs. External

Answer: B

24. The person in charge of information systems security is the:

- A) CIO
- B) CPO
- C) CSO/CISO
- D) CKO

Answer: C

25. The CKO is responsible for:

- A) Knowledge management programs
- B) Security policy
- C) Privacy laws
- D) Hardware maintenance

Answer: A

26. Which job role acts as the principal liaison between the IS group and the rest of the organization?

- A) Programmer
- B) Systems Analyst
- C) Data Entry Clerk
- D) CISO

Answer: B

27. “IT Governance” refers to:

- A) The software installed on government computers
- B) Strategy and policies for using IT and assigning decision rights
- C) The maintenance of hardware
- D) The hiring of programmers

Answer: B

28. Which of the following is a benefit of Enterprise Systems?

- A) Creating silos of information
- B) Improving flexibility and coordination of business processes
- C) Increasing manual data entry
- D) Slowing down information flow

Answer: B

29. What is “Telepresence”?

- A) A text-based chat system
- B) High-quality integrated audio and visual environment for meetings
- C) A file sharing protocol
- D) An email server

Answer: B

30. The Schiphol International Hub case study focused on which type of system?

- A) Baggage handling system
- B) Employee payroll
- C) Customer loyalty program
- D) Flight simulation

Answer: A

31. In the NTUC Income case study, the new system helped reduce policy processing time by:

- A) 10%

- B) Half
- C) 90%
- D) It increased the time

Answer: B

32. Procter & Gamble's "Business Sphere" is an example of:

- A) A transaction processing system
- B) A decision support environment/room with large screens
- C) A public website
- D) A warehouse management system

Answer: B

33. Which of the following is an "asynchronous" collaboration interaction (Different Time)?

- A) Video conference
- B) Instant Messaging
- C) E-mail
- D) Face-to-face meeting

Answer: C

34. Which position is responsible for compliance with data privacy laws?

- A) CIO
- B) CSO
- C) CPO
- D) CEO

Answer: C

35. Programmers are defined as:

- A) Liaisons between departments
- B) Highly trained technical specialists who write software instructions
- C) Managers of facility operations
- D) Senior strategic planners

Answer: B

36. Salesforce Chatter and Microsoft Yammer are examples of:

- A) Enterprise Social Networking Tools
- B) Spreadsheets
- C) Hardware manufacturers
- D) Legacy TPS

Answer: A

37. Which functional area deals with “identifying customers”?

- A) Manufacturing
- B) Sales and Marketing
- C) Finance
- D) Human Resources

Answer: B

38. Which functional area deals with “checking quality”?

- A) Manufacturing and Production
- B) Sales
- C) Finance
- D) HR

Answer: A

39. A “Command and Control” culture is characterized by:

- A) Horizontal communication
- B) Top-down orders and no horizontal communication
- C) Teams at all levels
- D) Extensive social networking

Answer: B

40. A “Collaborative” culture is characterized by:

- A) Senior management establishing collaboration as vital
- B) Strict vertical hierarchy
- C) Information hoarding
- D) Individual rewards only

Answer: A

41. Which system uses “Input: Employee time sheet” and “Output: Paychecks”?

- A) Payroll TPS
- B) Sales DSS
- C) Executive Dashboard
- D) CRM

Answer: A

42. Which system type is described as “Not flexible” and having “little analytical capability”?

- A) DSS
- B) MIS

- C) ESS
- D) Expert Systems

Answer: B

43. The “Voyage-Estimating” system is an example of a:

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

Answer: C

44. “Interorganizational systems” automate the flow of information:

- A) Within a single department
- B) Across organizational boundaries
- C) Only to the CEO
- D) Between the CPU and Hard Drive

Answer: B

45. Which of the following is a benefit of collaboration regarding “Quality”?

- A) It makes work slower
- B) Communicating errors and corrective actions faster
- C) It reduces the need for meetings
- D) It creates more paperwork

Answer: B

46. Which tool allows users to contribute and edit content on a website without programming knowledge?

- A) Wiki
- B) Compiler
- C) FTP client
- D) Firewall

Answer: A

47. Google Drive is an example of:

- A) A legacy mainframe
- B) A Cloud-based cyberlocker/collaboration tool
- C) An on-premise server
- D) A specialized DSS

Answer: B

48. Lotus Notes is cited as an early example of:

- A) Groupware
- B) Social Media
- C) CRM
- D) ERP

Answer: A

49. The TELUS case study utilized which technology for social learning?

- A) Microsoft SharePoint
- B) Oracle ERP
- C) Custom Mainframe
- D) Fax machines

Answer: A

50. Employment growth in IS/MIS jobs is projected to be:

- A) 50% lower than average
- B) 50% greater than average
- C) Flat (no growth)
- D) Declining rapidly

Answer: B

Chapter 3: Information Systems, Organizations, and Strategy

1. The “technical” definition of an organization focuses on:

- A) Rights and privileges
- B) Conflict resolution
- C) Processing resources (capital/labor) into outputs
- D) Cultural values

Answer: C

2. The “behavioral” definition of an organization emphasizes:

- A) Production functions
- B) Rights, privileges, obligations, and conflict resolution
- C) Input/Output efficiency
- D) Machine-like precision

Answer: B

3. Standard operating procedures in an organization are also called:

- A) Politics
- B) Routines

- C) Culture
- D) Constitutions

Answer: B

4. Divergent viewpoints about resource distribution in an organization lead to:

- A) Organizational Politics
- B) Efficiencies
- C) Routines
- D) Automation

Answer: A

5. “Unassailable assumptions” about what products to produce and how constitute:

- A) Organizational Culture
- B) Business Processes
- C) Politics
- D) Environments

Answer: A

6. Technologies that radically change the business landscape (e.g., car vs. horse) are called:

- A) Routine Technologies
- B) Disruptive Technologies
- C) Sustaining Technologies
- D) Legacy Technologies

Answer: B

7. Which Mintzberg organizational structure consists of a young, small firm with an entrepreneur CEO?

- A) Machine Bureaucracy
- B) Divisionalized Bureaucracy
- C) Entrepreneurial Structure
- D) Adhocracy

Answer: C

8. Which structure is characterized by task force organizations in rapidly changing environments?

- A) Machine Bureaucracy
- B) Professional Bureaucracy
- C) Adhocracy
- D) Divisionalized Bureaucracy

Answer: C

9. Transaction Cost Theory suggests that IT:

- A) Increases the cost of market participation
- B) Helps lower market participation costs (transaction costs)
- C) Has no effect on costs
- D) Makes firms grow larger in employee count

Answer: B

10. Agency Theory views the firm as:

- A) A happy family
- B) A nexus of contracts among self-interested individuals
- C) A machine for production
- D) A political entity only

Answer: B

11. How does IT typically affect the number of middle managers?

- A) Increases them significantly
- B) Reduces them by empowering lower-level employees
- C) Has no impact
- D) Replaces them with senior managers

Answer: B

12. The most common reason for IS project failure is:

- A) Hardware failure
- B) Organizational/political resistance
- C) Software bugs
- D) Lack of electricity

Answer: B

13. Which of the following is NOT one of Porter's Five Competitive Forces?

- A) Traditional Competitors
- B) New Market Entrants
- C) Government Regulations
- D) Substitute Products

Answer: C

14. Walmart's continuous replenishment system is an example of which generic strategy?

- A) Product Differentiation
- B) Low-Cost Leadership

- C) Market Niche Focus
- D) Customer Intimacy

Answer: B

15. Nike's NIKEiD program is an example of:

- A) Low-Cost Leadership
- B) Product Differentiation (Mass Customization)
- C) Supplier Intimacy
- D) Machine Bureaucracy

Answer: B

16. Hilton Hotels' OnQ System is used to support which strategy?

- A) Focus on Market Niche
- B) Low-Cost Leadership
- C) Generic manufacturing
- D) Employee surveillance

Answer: A

17. "Switching costs" refer to:

- A) The cost of electricity
- B) The cost/difficulty for a customer to switch to a competitor
- C) The cost of networking switches
- D) The price of a new computer

Answer: B

18. Which model highlights specific activities (Primary and Support) where IS can add value?

- A) Porter's Five Forces
- B) The Value Chain Model
- C) Agency Theory
- D) Network Economics

Answer: B

19. In the Value Chain, "Inbound Logistics" is a:

- A) Support Activity
- B) Primary Activity
- C) Secondary Activity
- D) Tertiary Activity

Answer: B

20. In the Value Chain, "Human Resources" is a:

- A) Primary Activity
- B) Support Activity
- C) Sales Activity
- D) Logistics Activity

Answer: B

21. A “Value Web” is different from a traditional Value Chain because it is:

- A) Linear and rigid
- B) A collection of independent firms synchronized by IT
- C) Owned by a single firm
- D) Paper-based

Answer: B

22. “Synergy” occurs when:

- A) Output of units can be used as inputs to others, lowering costs
- B) Firms compete aggressively
- C) Costs increase due to complexity
- D) Technologies fail

Answer: A

23. An activity for which a firm is a world-class leader is called a:

- A) Routine
- B) Core Competency
- C) Liability
- D) Support Activity

Answer: B

24. Network Economics is characterized by:

- A) Diminishing returns
- B) Marginal costs of adding users being near zero, while value grows
- C) High costs for every new user
- D) Decreasing value as size increases

Answer: B

25. A “Virtual Company” uses networks to:

- A) Avoid paying taxes
- B) Link people and assets without traditional organizational boundaries
- C) Create fake products
- D) Simulate business in a game

Answer: B

26. In a Business Ecosystem, a “Keystone firm”:

- A) Is a small niche player
- B) Dominates the ecosystem and creates the platform (e.g., Microsoft, Walmart)
- C) Is a supplier only
- D) Does not use IT

Answer: B

27. Apple vs. Samsung in the tablet market is an example of competition between:

- A) Individual products only
- B) Business Ecosystems (Mobile Internet Platforms)
- C) Local stores
- D) Government agencies

Answer: B

28. American Airlines’ SABRE system is an example of:

- A) A failed system
- B) A classic strategic system that provided advantage
- C) A non-strategic website
- D) A payroll system

Answer: B

29. Research shows that successful alignment of IT with business goals:

- A) Is achieved by 100% of firms
- B) Leads to lower profitability
- C) Explains about half of a firm’s profits
- D) Is not important

Answer: C

30. “Benchmarking” involves:

- A) Guessing performance metrics
- B) Comparing efficiency and effectiveness against strict standards
- C) Ignoring competitors
- D) Setting low goals

Answer: B

31. The “Bullwhip effect” is usually mitigated by:

- A) Hiding information
- B) Supply Chain Management systems

- C) Increasing prices
- D) Reducing quality

Answer: **B** (*Context implied in SCM discussion*)

32. Which of the following is NOT a primary activity in the Value Chain?

- A) Operations
- B) Sales and Marketing
- C) Procurement
- D) Service

Answer: **C**

33. Mass customization allows firms to:

- A) Produce identical products for everyone
- B) Offer individually tailored products using mass production resources
- C) Stop production entirely
- D) Increase inventory costs

Answer: **B**

34. The “Internet of Things” (implied by connected cars/sensors) helps:

- A) Increase manual labor
- B) Create new data streams for analysis and efficiency
- C) Reduce internet usage
- D) Discourage innovation

Answer: **B**

35. A “Strategy of Survival” implies:

- A) Using IS because competitors/regulations force you to
- B) Using IS to dominate the market
- C) Using IS to increase prices
- D) Using IS to shrink the company

Answer: **A**

36. Li & Fung is an example of a:

- A) Virtual Company
- B) Machine Bureaucracy
- C) Traditional Manufacturer
- D) Keystone Firm

Answer: **A**

37. “Best Practices” are:

- A) Theoretical ideas that never work
- B) Solutions identified as the most successful for achieving objectives
- C) Government laws
- D) Examining the worst performing companies

Answer: B

38. The Law of Diminishing Returns usually applies to:

- A) Network Economics
- B) Traditional Economics
- C) Virtual Companies
- D) Digital Goods

Answer: B

39. Sears' struggle against Walmart is attributed to:

- A) Lack of technology investment only
- B) Damaged brand image and weak business model despite technology use
- C) Too much inventory
- D) High prices

Answer: B

40. Starbucks used “Lean” techniques and mobile platforms to:

- A) Increase wait times
- B) Return to profitability and improve efficiency
- C) Stop selling coffee
- D) Eliminate all baristas

Answer: B

41. Ford’s “MyFord Touch” is an example of:

- A) Low-cost leadership
- B) Product Differentiation through software
- C) Niche marketing
- D) Supplier management

Answer: B

42. Which is a characteristic of “Postindustrial Organizations”?

- A) Authority based on position/hierarchy
- B) Authority based on knowledge and competence
- C) Strict vertical command
- D) Focus on manual labor

Answer: B

43. Which factor is NOT cited as a reason for organizational resistance?

- A) Nature of IT innovation
- B) Organization's structure
- C) Color of the office walls
- D) Tasks impacted by innovation

Answer: C

44. “Efficient Customer Response Systems” are most closely linked to:

- A) Product Differentiation
- B) Low-Cost Leadership (e.g., Walmart)
- C) Niche Focus
- D) HR Management

Answer: B

45. What happens when “Substitute Products” are high in an industry?

- A) Firms have more control over price
- B) Firms have less control over price/profit margins
- C) Monopoly is guaranteed
- D) Customers have no choice

Answer: B

46. “Strategic Transitions” refer to:

- A) Updating software
- B) Movement between levels of sociotechnical systems (changing goals, processes, etc.)
- C) Moving office locations
- D) Hiring a new CEO

Answer: B

47. Barnes & Noble’s Nook strategy was a response to:

- A) Regulatory changes
- B) Disruptive technology (e-books)
- C) Supplier demands
- D) Employee strikes

Answer: B

48. In the ecosystem model, “Niche firms”:

- A) Create the platform
- B) Use the platform provided by the Keystone firm

- C) Compete against the Keystone firm
- D) Operate offline only

Answer: B

49. Flattening organizations generally results in:

- A) Slower decision making
- B) Faster decision making and broader span of control
- C) More middle managers
- D) Less data availability

Answer: B

50. The reciprocal relationship between organizations and environments means:

- A) They do not affect each other
- B) Organizations rely on environments, and can also influence them
- C) Environments always destroy organizations
- D) Organizations control environments completely

Answer: B

Chapter 4: Ethical and Social Issues in Information Systems

1. The “Ripples in a Pond” model illustrates:

- A) The speed of internet connections
- B) The relationship between ethical, social, and political issues
- C) The cost of water cooling
- D) The decline of hardware costs

Answer: B

2. Which of the following is NOT one of the Five Moral Dimensions of the Information Age?

- A) Information Rights and Obligations
- B) System Quality
- C) Hardware Speed
- D) Accountability and Control

Answer: C

3. The trend that “Computing power doubles every 18 months” is known as:

- A) Moore’s Law (implied)
- B) Metcalfe’s Law
- C) The Law of Diminishing Returns

D) The Storage Law

Answer: A (*Note: Text says “Computing power doubles every 18 months”, common knowledge aligns this with Moore’s Law*)

4. The use of computers to combine data from multiple sources to create electronic dossiers is called:

- A) Networking
- B) Profiling
- C) Spying
- D) Phishing

Answer: B

5. NORA stands for:

- A) Nonobvious Relationship Awareness
- B) Network Organization Routing Algorithm
- C) New Online Research Agency
- D) No One Really Asks

Answer: A

6. “Responsibility” is defined as:

- A) Laws permitting recovery of damages
- B) Accepting potential costs, duties, and obligations for decisions
- C) Mechanisms to determine who took action
- D) Being punished for a crime

Answer: B

7. “Accountability” refers to:

- A) Mechanisms to determine who took responsible action
- B) The ability to pay for damages
- C) A feature of political systems
- D) Personal guilt

Answer: A

8. “Liability” is a feature of political systems that:

- A) Allows individuals to recover damages done to them
- B) Prevents all harm
- C) Guarantees free speech
- D) Monitors internet traffic

Answer: A

9. Which ethical principle states: “Do unto others as you would have them do unto you”?

- A) Kant’s Categorical Imperative
- B) The Golden Rule
- C) Utilitarian Principle
- D) No Free Lunch Rule

Answer: B

10. Kant’s Categorical Imperative suggests:

- A) If an action is not right for everyone, it is not right for anyone
- B) Take the action that achieves the higher value
- C) Do what feels right
- D) Avoid all risk

Answer: A

11. The “Slippery-Slope” rule is formally known as:

- A) Descartes’ Rule of Change
- B) The Golden Rule
- C) Risk Aversion Principle
- D) Utilitarian Principle

Answer: A

12. The Utilitarian Principle advises to:

- A) Take the action that produces the least harm
- B) Take the action that achieves the higher or greater value
- C) Assume everything is owned
- D) Do what everyone else does

Answer: B

13. The “No Free Lunch” Rule assumes:

- A) Food should be free
- B) All objects are owned by someone unless declared otherwise
- C) Information is always free
- D) Privacy does not exist

Answer: B

14. FIP stands for:

- A) Federal Internet Protocol
- B) Fair Information Practices

- C) Free Internet Policy
- D) Fast Information Processing

Answer: B

15. Which is the “Core Principle” of FIP regarding disclosure of practices?

- A) Notice/Awareness
- B) Security
- C) Enforcement
- D) Access

Answer: A

16. The “Opt-In” model of privacy means:

- A) Businesses can collect info until the user says stop
- B) Businesses are prohibited from collecting info unless the consumer specifically approves
- C) No data can ever be collected
- D) Data is collected anonymously

Answer: B

17. The “Opt-Out” model (used in the US) means:

- A) Collection is permitted until the consumer requests it to stop
- B) Collection is forbidden by default
- C) Consumers must sign a waiver
- D) Only government can collect data

Answer: A

18. Small text files deposited on a computer hard drive to track visits are called:

- A) Web Beacons
- B) Cookies
- C) Spam
- D) Trojans

Answer: B

19. Tiny software programs that keep a record of users’ online clickstreams (often invisible) are:

- A) Cookies
- B) Web Beacons (Web bugs)
- C) Antivirus
- D) Firewalls

Answer: B

20. Intellectual Property protects:

- A) Tangible land
- B) Intangible property created by individuals or corporations
- C) Government buildings
- D) Ocean waters

Answer: B

21. A “Trade Secret” protects:

- A) Any intellectual work product used for business (formula, device, pattern) not in public domain
- B) Only published books
- C) Only patented machines
- D) Public information

Answer: A

22. Copyright protects creators for:

- A) 20 years
- B) Life of author plus 70 years (or 95 years for corps)
- C) Forever
- D) 10 years

Answer: B

23. A Patent grants a monopoly on underlying concepts/ideas for:

- A) 70 years
- B) 20 years
- C) 5 years
- D) Indefinitely

Answer: B

24. The Digital Millennium Copyright Act (DMCA) makes it illegal to:

- A) Buy software
- B) Circumvent technology-based protections of copyrighted materials
- C) Write code
- D) Use the internet

Answer: B

25. Which forms of health risks are associated with computer use?

- A) RSI, CVS, Technostress
- B) Malaria, Flu
- C) Broken bones
- D) Sunburn

Answer: A

26. Carpal Tunnel Syndrome (CTS) is a type of:

- A) Computer Vision Syndrome
- B) Repetitive Stress Injury (RSI)
- C) Technostress
- D) Virus

Answer: B

27. “Technostress” symptoms include:

- A) Euphoria
- B) Aggravation, hostility, impatience, fatigue
- C) Better vision
- D) Increased calmness

Answer: B

28. The “Digital Divide” refers to:

- A) The gap between Mac and PC users
- B) The gap between those who have access to technology/Internet and those who do not
- C) The split between hardware and software
- D) Two separate hard drives

Answer: B

29. Most common source of business system failure is:

- A) Hardware destruction
- B) Data quality (input errors)
- C) Hackers
- D) Power outages

Answer: B

30. Which term refers to the commission of illegal acts through the use of a computer?

- A) Computer Abuse
- B) Computer Crime
- C) Hacking
- D) Spamming

Answer: B

31. “Spam” accounts for approximately what percentage of e-mail (2012 est)?

- A) 10%
- B) 72%

- C) 99%
- D) 25%

Answer: B

32. In the context of privacy regulations, “Safe Harbor” is defined as:

- A) A strict government-enforced law protecting ships
- B) A private, self-regulating policy that meets objectives of government regulators without government regulation
- C) A policy that completely bans data transfer between nations
- D) A virus protection software for medical databases

Answer: B

33. European data protection laws are generally:

- A) Less stringent than U.S. laws
- B) More stringent than U.S. laws
- C) Non-existent
- D) Identical to U.S. laws

Answer: B

34. The “Right to be forgotten” is a concept proposed in:

- A) The United States
- B) The European Union
- C) China
- D) Russia

Answer: B

35. Software that secretly installs itself to report user movements is called:

- A) Firmware
- B) Spyware
- C) Shareware
- D) Freeware

Answer: B

36. Apple vs. Samsung (2011) was a major battle over:

- A) Copyrights
- B) Patents
- C) Trade Secrets
- D) Trademarks

Answer: B

37. Which industry has a global software piracy rate of 42% (2011)?

- A) Software
- B) Music
- C) Movies
- D) Books

Answer: A

38. “Cyberbullying” is mentioned as a negative impact on:

- A) System Quality
- B) Quality of Life (boundaries/social)
- C) Intellectual Property
- D) Accountability

Answer: B

39. Reengineering work has caused job losses primarily for:

- A) CEOs
- B) Mid-level managers and clerical workers
- C) Doctors
- D) Lawyers

Answer: B

40. CVS stands for:

- A) Computer Virus System
- B) Computer Vision Syndrome
- C) Central Vision System
- D) Cardio-Vascular Stress

Answer: B

41. The BlackBerry outage (2011) highlights issues of:

- A) Privacy
- B) Accountability and Liability (who is responsible for economic harm?)
- C) Intellectual Property
- D) Patent theft

Answer: B

42. Which act bans deceptive email practices but has had minimal impact?

- A) DMCA
- B) CAN-SPAM Act
- C) Patriot Act
- D) Computer Fraud Act

Answer: B

43. The “Risk Aversion Principle” suggests avoiding:

- A) Low-cost actions
- B) High-failure-cost actions of moderate to high probability
- C) All actions
- D) Profitable actions

Answer: B

44. “Due Process” implies that:

- A) Laws are known, understood, and there is an appeal ability
- B) Punishment is immediate
- C) There are no rules
- D) Computers judge humans

Answer: A

45. Which company was fined \$160 million for manipulating LIBOR rates?

- A) Walmart
- B) Barclays Bank
- C) Siemens
- D) Pfizer

Answer: B

46. Which company paid \$4 billion for a worldwide bribery scheme?

- A) Galleon Group
- B) Siemens
- C) GlaxoSmithKline
- D) Apple

Answer: B

47. According to the key technology trends raising ethical issues, the rapid decline in data storage costs means: A) Less databases are created

- B) Organizations can easily maintain detailed databases on individuals
- C) Less privacy issues occur
- D) Slower computers are used

Answer: B

48. What is the “Golden Rule” of Ethics?

- A) Make as much money as possible
- B) Do unto others as you would have them do unto you
- C) The one with the gold makes the rules

D) Survival of the fittest

Answer: B

49. Privacy is defined as the claim of individuals to:

- A) Own data
- B) Be left alone, free from surveillance
- C) Speak freely
- D) Access the internet

Answer: B

50. “Look and feel” distinctions in software are problematic for:

- A) Patents
- B) Copyright protection
- C) Trade Secrets
- D) Hardware design

Answer: B