**Chapter 1 Information Systems in Global Business Today**

**Q1. Answer the following (T/F) Questions**

1) Internet advertising is growing at approximately 10 percent a year.

2) Developing a new product, fulfilling an order, and hiring a new employee are examples of business processes.

3) A fully digital firm produces only digital goods or services.

4) A business model describes how a company produces, delivers, and sells a product or service to create wealth.

5) Information technology (IT) consists of all the hardware that a firm needs to use in order to achieve its business objectives, whereas information systems consist of all the software and business processes needed.

6) Computers are only part of an information system.

7) Information systems literacy describes the behavioral approach to information systems, whereas computer literacy describes the technical approach.

8) The dimensions of information systems are management, organizations, and information technology.

9) Knowledge workers assist with paperwork at all levels of the firm.

10) There are four major business functions: Sales and marketing; manufacturing and production; finance and accounting; and information technology.

**Q2. Answer the following multiple choice questions**

1) 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.

2) 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.

3) 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.

4) 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.

5) 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.

6) 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.

7) 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.

8) 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

9) 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.

10) 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

11) 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

12) 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

13) The three principal 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.

14) 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

15) 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

16) 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