Chapter 2: Business Process Management and Decision Making

1) Business processes are synonymous with business systems.

a. True
b. False

Answer: a
Diff: 1

Type: TF
Page Reference: 26

Topic: Q2

Skill: RECALL

2) You should always ask yourself "how can I use my time in school to enhance those skills I already have?"

a. True
b. False

Answer: a
Diff: 2

Type: TF
Page Reference: 44

Topic: Q8

Skill: RECALL

3) The inventory management process includes placing orders and receiving goods into inventory.

a. True
b. False

Answer: a
Diff: 1

Type: TF
Page Reference: 26

Topic: Q2

Skill: APPLIED

4) In the payment process, the invoice is compared to the purchase order.

a. True
b. False

Answer: a

Diff: 3

Type: TF
Page Reference: 27

Topic: Q2

Skill: APPLIED

5) A copy of the purchase order is sent to the customer.

a. True
b. False

Answer: b
Diff: 2

Type: TF
Page Reference: 27

Topic: Q2

Skill: RECALL

6) A business process consists of activities, resources, facilities, and information.

a. True
b. False

Answer: a
Diff: 1

Type: TF
Page Reference: 28

Topic: Q3

Skill: RECALL

7) Any item of value can be considered to be a potential resource for a business process.

a. True
b. False

Answer: a
Diff: 1

Type: TF
Page Reference: 28

Topic: Q3

Skill: RECALL

8) Activities transform resources and data into different kinds of resources and data.

a. True
b. False

Answer: b
Diff: 2

Type: TF
Page Reference: 28

Topic: Q3

Skill: RECALL

9) An inventory database would be considered to be an example of a facility in the inventory management process.

a. True
b. False

Answer: a
Diff: 2

Type: TF
Page Reference: 28

Topic: Q3

Skill: RECALL

10) The fact that it rained 1.2 inches today is an example of information.

a. True
b. False

Answer: b
Diff: 2

Type: TF
Page Reference: 28

Topic: Q3

Skill: APPLIED

11) The fact that the sun rose this morning at 6:25 a.m. is an example of data.

a. True
b. False

Answer: a

Diff: 2

Type: TF
Page Reference: 29

Topic: Q4

Skill: APPLIED

12) Data is another word for information.
a. True
b. False

Answer: b
Diff: 2

Type: TF
Page Reference: 29

Topic: Q4

Skill: APPLIED

13) When data is presented with a meaningful context, it becomes information.
a. True
b. False

Answer: a
Diff: 1

Type: TF
Page Reference: 29

Topic: Q4

Skill: RECALL

14) The information that is the output of one process can be viewed as a data input to another process.
a. True
b. False

Answer: a
Diff: 2

Type: TF
Page Reference: 29

Topic: Q4

Skill: APPLIED

15) Each activity within a business process must use one, and only one, information system.

a. True
b. False

Answer: b
Diff: 2

Type: TF
Page Reference: 28

Topic: Q3

Skill: RECALL

16) It is good business practice for a payment activity to have a single person assigned to approve payments and generate checks.

a. True
b. False

Answer: b
Diff: 3

Type: TF
Page Reference: 33

Topic: Q6

Skill: RECALL

17) An executive information system supports strategic decision making.

a. True
b. False

Answer: a
Diff: 2

Type: TF
Page Reference: 36

Topic: Q7

Skill: RECALL

18) A structured decision involves an understood and accepted method for making the decision.

a. True
b. False

Answer: a

Diff: 2

Type: TF
Page Reference: 36

Topic: Q7

Skill: RECALL

19) A transaction processing system helps managers allocate and utilize resources.

a. True
b. False

Answer: b
Diff: 2

Type: TF
Page Reference: 35

Topic: Q7

Skill: RECALL

20) During intelligence gathering, the decision makers determine what is to be decided, what the criteria for the decision will be, and what data are available.

a. True
b. False

Answer: a
Diff: 3

Type: TF
Page Reference: 37

Topic: Q7

Skill: RECALL

21) While weather is an unstructured phenomenon, weather forecasting is an example of structured decision making.

a. True
b. False

Answer: a
Diff: 3

Type: TF
Page Reference: 37

Topic: Q7

Skill: APPLIED

22) The quality of your thinking is a large part of the quality of the information system.
a. True
b. False

Answer: a
Diff: 2

Type: TF
Page Reference: 39

Topic: Q8

Skill: RECALL

23) The review step may lead to another decision and another iteration of the decision making process.
a. True
b. False

Answer: a
Diff: 2

Type: TF
Page Reference: 37

Topic: Q7

Skill: RECALL

24) Your mind and your thinking are not merely a component of the information systems you use; they are the most important component.
a. True
b. False

Answer: a
Diff: 1

Type: TF
Page Reference: 37

Topic: Q8

Skill: RECALL

25) Information needs to be just barely sufficient for the purpose for which it is generated.

a. True
b. False

Answer: a
Diff: 2

Type: TF
Page Reference: 30

Topic: Q4

Skill: RECALL

26) For information to be worth it's cost, there must be an appropriate relationship between the cost of information and its value.

a. True
b. False

Answer: a
Diff: 2

Type: TF
Page Reference: 30

Topic: Q4

Skill: RECALL

27) A business process is

a. a network of activities used to accomplish business goals.

b. a set of required steps in a production process.

c. a network of activities, resources, facilities, and information that interact to achieve some business function.

d. a set of actives in a value chain.

e. a set of activities in a supply chain.

Answer: c
Diff: 2

Type: MC
Page Reference: 27

Topic: Q2

Skill: RECALL

28) An information system must produce information that is:

a. worth it's cost, relevant, barely sufficient, accurate.

b. relevant, timely, all encompassing, worth it's cost.

c. just barely sufficient, only a year old, worth it's cost.

d. Timely, and accurate.

e. accurate and worth it's cost.

Answer: a
Diff: 3

Type: MC
Page Reference: 29

Topic: Q4

Skill: RECALL

29) Which of the following are characteristics of good information?

a. Worth it's cost, timely, relevant, all encompassing.

b. Timely, expensive but complete, relevant.

c. Relevant, not many important errors, worth it's cost.

d. Timely, expensive but complete, accurate.

e. Timely, relevant, worth it's cost, barely sufficient, accurate.

Answer: e
Diff: 3

Type: MC
Page Reference: 29

Topic: Q4

Skill: APPLIED

30) Relevant information refers to information that is

a. worth the value paid to generate it.

b. useful to both the context and the subject at hand.

c. good for the purpose for which it is generated.

d. produced in time for its intended use.

e. correct and complete.

Answer: b
Diff: 2
Type: MC
Page Reference: 29

Topic: Q4

Skill: RECALL

31) Just barely sufficient information refers to information that is

a. correct and complete.

b. produced in time for its intended use.

c. good for the purpose for which it is generated.

d. not useful to the decision being made.

e. useful to both the context and the subject at hand.

Answer: c
Diff: 2
Type: MC
Page Reference: 29

Topic: Q4

Skill: RECALL

32) "Worth its cost" refers to information

a. that is produced in time for its intended use.

b. that is good for the purpose for which it is generated.

c. that is collected in a low-cost manner.

d. that has an appropriate relationship between its cost and its value.

e. that is useful to both the context and the subject at hand.

Answer: d
Diff: 2
Type: MC
Page Reference: 29

Topic: Q4

Skill: RECALL

33) Operational decisions refer to

a. the control of resources and activities over a time period of less than one month.

b. day-to-day activities.

c. an understood and accepted method for making decisions.

d. the allocation and utilization of resources.

e. broader-scope, organizational issues.

Answer: b
Diff: 2

Type: MC
Page Reference: 35

Topic: Q7

Skill: RECALL

34) Managerial decisions refer to

a. day-to-day activities.

b. broader-scope, organizational issues.

c. an understood and accepted method for making decisions.

d. the allocation and utilization of resources.

e. the control of resources and activities.

Answer: d
Diff: 2

Type: MC
Page Reference: 35

Topic: Q7

Skill: RECALL

35) Strategic decision refer to

a. the allocation and utilization of resources.

b. broader-scope, organizational issues.

c. day-to-day activities.

d. transactions details.

e. an understood and accepted method for making decisions.

Answer: b
Diff: 2

Type: MC
Page Reference: 35

Topic: Q7

Skill: RECALL

36) A Transaction Processing System supports

a. transactional decisions.

b. operational decisions.

c. strategic decisions.

d. executive decisions.

e. managerial decisions.

Answer: b
Diff: 1

Type: MC
Page Reference: 35

Topic: Q7

Skill: RECALL

37) A Management Information System supports

a. operational decisions.

b. managerial decisions.

c. strategic decisions.

d. unstructured decisions.

e. executive decisions.

Answer: b
Diff: 1

Type: MC
Page Reference: 35

Topic: Q7

Skill: RECALL

38) An Executive Information System supports

a. managerial decisions.

b. strategic decisions.

c. executive decisions.

d. structured decisions.

e. operational decisions.

Answer: b
Diff: 1

Type: MC
Page Reference: 35

Topic: Q7

Skill: RECALL

39) An understood and accepted method for making decisions is used to make

a. managerial decisions.

b. operational decisions.

c. strategic decisions.

d. executive decisions.

e. structured decisions.

Answer: e
Diff: 3

Type: MC
Page Reference: 38

Topic: Q7

Skill: RECALL

40) An unstructured decision making process

a. is one for which there is an agreed upon decision-making method.

b. is one for which there is no documentation required.

c. is one for which there are no structured steps.

d. is one for which there are no formal procedures.

e. is one for which there is no agreed-on decision-making method.

Answer: e
Diff: 3

Type: MC
Page Reference: 36

Topic: Q7

Skill: RECALL

41) The step in a decision making process where decision markers determine what is to be decided, what the criteria for the decision will be, and what data are available is called

a. alternatives formulation.

b. decision analysis.

c. intelligence gathering.

d. the review step.

e. the choice step.

Answer: c
Diff: 2

Type: MC
Page Reference: 37

Topic: Q7

Skill: RECALL

42) The stage in a decision making process where decision makers lay out various alternatives is called

a. decision analysis.

b. intelligence gathering.

c. alternatives formulation.

d. the choice step.

e. the review step.

Answer: c
Diff: 2

Type: MC
Page Reference: 37

Topic: Q7

Skill: RECALL

43) The stage in a decision making process which a decision maker analyze the alternatives and selected one is called

a. alternatives formulation.

b. the choice step.

c. intelligence gathering.

d. decision step.

e. the review step.

Answer: b
Diff: 2

Type: MC
Page Reference: 37

Topic: Q7

Skill: RECALL

44) An activity can be defined as

a. the carrying out of a business procedure.

b. a series of steps in a business process.

c. an action that supports a business strategy.

d. transforming resources and information of one type into resources and information of another type.

e. action performed by an actor.

Answer: d
Diff: 3

Type: MC
Page Reference: 28

Topic: Q3

Skill: RECALL

45) Items of value are referred to as

a. money.

b. valuables.

c. resources.

d. facilities.

e. equipment.

Answer: c
Diff: 2

Type: MC
Page Reference: 28

Topic: Q3

Skill: RECALL

46) The HELM system improves efficiency by eliminating

a. computers aboard tugboats.

b. multiple dispatcher log sheets.

c. multiple data entries for each job.

d. accurate paper work.

e. the large number of people involved in completing a job.

Answer: c
Diff: 1

Type: MC
Page Reference: 39

Topic: Q8

Skill: APPLIED

47) Knowledge derived from data can be described as:

a. wisdom.

b. information.

c. knowledge.

d. data.

e. context.

Answer: b
Diff: 3

Type: MC
Page Reference: 29

Topic: Q4

Skill: RECALL

48) Recorded facts or figures is (are)

a. context.

b. information.

c. data.

d. knowledge.

e. processed information.

Answer: c
Diff: 2

Type: MC
Page Reference: 29

Topic: Q4

Skill: RECALL

49) Data presented in a meaningful context can be described as:

a. processed information.

b. knowledge.

c. information.

d. processed knowledge.

e. processed data.

Answer: c
Diff: 2

Type: MC
Page Reference: 29

Topic: Q4

Skill: RECALL

50) Which of the following is arguably the most important component of an Information System?

a. Software

b. Hardware

c. Processes

d. Information

e. People

Answer: e
Diff: 3

Type: MC
Page Reference: 32

Topic: Q6

Skill: APPLIED

51) The review step

a. is when the organization makes a decision.

b. is when the organization makes a decision and may lead to another decision.

c. may lead to another decision.

d. is when the organization reviews the results of the decision.

e. is when the organization reviews the results of the decision and may lead to another decision.

Answer: e
Diff: 2

Type: MC
Page Reference: 37

Topic: Q7

Skill: APPLIED

52) Which of the following is a structured decision?

a. Fortune telling

b. Performance appraisals

c. Stock marketing forecasting

d. Predicting the Super Bowl winner

e. Weather forecasting

Answer: e
Diff: 3

Type: MC
Page Reference: 36

Topic: Q7

Skill: APPLIED

53) Which of the following is an unstructured decision?

a. Allocating furniture and equipment to employees

b. Weather forecasting

c. Determining the future book value of assets

d. Stock marketing forecasting

e. Airline pricing

Answer: d
Diff: 3

Type: MC
Page Reference: 36

Topic: Q7

Skill: APPLIED

54) Which of the following is a managerial decision?

a. Which invoices should be paid today

b. Determining next year's IT budget

c. Should we extend credit to a customer

d. Determining how many daily transactions have occurred in a specified period

e. Should our firm acquire a competing firm

Answer: b
Diff: 3

Type: MC
Page Reference: 35

Topic: Q7

Skill: APPLIED

55) Which of the following is an operational decision?

a. Determining next year's IT budget

b. Should we extend credit to a customer

c. What are our production goals for the next three months

d. Which invoices should be paid today

e. Should our firm acquire a competing firm

Answer: d
Diff: 2

Type: MC
Page Reference: 35

Topic: Q7

Skill: RECALL

56) Which of the following is a strategic decision?

a. Should we extend credit to a customer

b. Determining next year's IT budget

c. What wage should we pay a particular employee

d. Should our firm acquire a competing firm

e. Which invoices should be paid today

Answer: d
Diff: 2

Type: MC
Page Reference: 37

Topic: Q7

Skill: RECALL

57) Which is the following is most useful to a company?

a. Knowledge

b. Observations

c. Decisions

d. Information

e. Data

Answer: a
Diff: 3

Type: MC
Page Reference: 37

Topic: Q7

Skill: APPLIED

58) The average wage for a factory worker is an example of (a)

a. data.

b. business process.

c. knowledge.

d. strategy.

e. decision.

Answer: c
Diff: 3

Type: MC
Page Reference: 29

Topic: Q4

Skill: APPLIED

59) The statement that Jeff Parks earns less than half the average hourly wage of the Garden Department is

a. policy.

b. strategy.

c. data.

d. information.

e. decision.

Answer: d
Diff: 3

Type: MC
Page Reference: 29

Topic: Q4

Skill: APPLIED

60) Which systems are typically used during the alternatives formulation step?

a. Word processors

b. Digital imaging systems

c. Presentation software

d. Statistics packages

e. Collaborative systems

Answer: e

Diff: 3

Type: MC
Page Reference: 37

Topic: Q7

Skill: APPLIED

61) Which systems are typically used to analysis data and information during the choice step?

a. Word processing packages

b. Financial modeling tools

c. Databases

d. Digital imagining packages

e. Presentation software

Answer: b
Diff: 3

Type: MC
Page Reference: 37

Topic: Q7

Skill: APPLIED

62) Customer numbers and their names would be an example of the _____ component of an order management information system.

a. software

b. information

c. procedure

d. hardware

e. people

Answer: b
Diff: 2

Type: MC
Page Reference: 28

Topic: Q3

Skill: RECALL

63) Business systems are sometimes referred to as business

a. networks.

b. models.

c. channels.

d. processes.

e. webs.

Answer: d
Diff: 2

Type: MC
Page Reference: 26

Topic: Q2

Skill: RECALL

64) A business process is a network of information, resources, facilities and

a. hardware.

b. activities.

c. systems.

d. data.

e. knowledge.

Answer: b
Diff: 2

Type: MC
Page Reference: 28

Topic: Q3

Skill: RECALL

65) In the inventory management process, quality inspection would be viewed as a(n)

a. activity.

b. information output.

c. data input.

d. resource.

e. facility.

Answer: a
Diff: 2

Type: MC
Page Reference: 28

Topic: Q3

Skill: APPLIED

66) An activity can be _____ or _____ and sometimes blended, depending on how the procedures are executed.

a. external, internal

b. manual, automated

c. internal, automated

d. automated, integrated

e. integrated, manual

Answer: b
Diff: 2

Type: MC
Page Reference: 28

Topic: Q3

Skill: recall

67) In an automated activity the computer hardware receives its instructions from (the)

a. version control program.

b. network protocols.

c. people.

d. software.

e. Web services.

Answer: d
Diff: 2

Type: MC
Page Reference: 28

Topic: Q3

Skill: RECALL

68) Because they have input into the inventory management process, both suppliers and customers are viewed as

a. information outputs.

b. data inputs

c. resources.

d. facilities.

e. activities.

Answer: c
Diff: 3

Type: MC
Page Reference: 28

Topic: Q3

Skill: RECALL

69) The truck that delivers the orders to the receiving and stocking activity would be viewed in the inventory management process as a(n)

a. facility.

b. information output.

c. activity.

d. resource.

e. data input

Answer: a
Diff: 2

Type: MC
Page Reference: 28

Topic: Q3

Skill: RECALL

70) Inventories, databases, factories, and equipment are all examples of

a. resources.

b. information.

c. transactions.

d. facilities.

e. activities.

Answer: d
Diff: 2

Type: MC
Page Reference: 28

Topic: Q3

Skill: RECALL

71) The on-time performance of all your vendors for a specific item would be an example of

a. inventory

b. data.

c. communication.

d. information.

e. resource.

Answer: d
Diff: 2

Type: MC
Page Reference: 29

Topic: Q4

Skill: APPLIED

72) For General Motors, the quantity of tire rims received would be an example of

a. communication.

b. knowledge.

c. data.

d. information.

e. resource.

Answer: c
Diff: 2

Type: MC
Page Reference: 29

Topic: Q4

Skill: APPLIED

73) In an information system, the software and _____ components are both sets of instructions.

a. data

b. software

c. people

d. procedure

e. hardware

Answer: d
Diff: 2

Type: MC
Page Reference: 32

Topic: Q6

Skill: RECALL

74) Business processes generate information by combining key data in a specific

a. context.

b. activity.

c. procedure.

d. relevance.

e. process.

Answer: a
Diff: 2

Type: MC
Page Reference: 29

Topic: Q4

Skill: APPLIED

75) In an information system the people and _____ components are considered to be actors since they can take specific actions.

a. hardware

b. data

c. people

d. procedure

e. software

Answer: a
Diff: 2

Type: MC
Page Reference: 32

Topic: Q6

Skill: RECALL

76) _____ would be one of the factors that lead to designing fully automated systems.

a. High skill employee positions

b. Tasks that require significant employee data inputs

c. Low turnover employee positions

d. High turnover employee positions

e. Tasks that require significant human judgement

Answer: d
Diff: 3

Type: MC
Page Reference: 33

Topic: Q6

Skill: RECALL

77) _____ is (are) instructions for hardware and _____ is (are) instructions for people.

a. Procedures, software

b. Software, processes

c. Data, processes

d. Machine instructions, user manuals

e. Software, procedures

Answer: e
Diff: 2

Type: MC
Page Reference: 32

Topic: Q6

Skill: RECALL

78) If you do not know what to do with the information that your IS produces (even if it is a perfectly functioning IS):

a. you likely started with faulty data.

b. you probably have the wrong communications software.

c. ask a techie for a translation.

d. you can still make decisions based on that information.

e. you are wasting your time and money.

Answer: e
Diff: 3

Type: MC
Page Reference: 39

Topic: Q8

Skill: APPLIED

79) Business Process Modeling Notation provides four graphical elements that can be used to document a process.

Diff: 2
Type: FIB
Page Reference: 28
Topic: Q3
Skill: RECALL

80) Human resources personnel say that networking is one of the most effective ways of finding a job.

Diff: 2
Type: FIB
Page Reference: 44
Topic: Q8
Skill: RECALL

81) A purchase order lists the items ordered and the quantity requested of each item.

Diff: 2

Type: FIB
Page Reference: 27
Topic: Q2
Skill: RECALL

82) The <u>inventory management</u> process works to balance the demands from customers with the inventory purchased from suppliers.

Diff: 2
Type: FIB
Page Reference: 27
Topic: Q2
Skill: RECALL

83) When stock in inventory hits a critical point, it is called the <u>reorder</u> point.

Diff: 2
Type: FIB
Page Reference: 27
Topic: Q2
Skill: RECALL

84) The most common definition of information is that it is derived from data, where data is defined as <u>recorded facts</u>.

Diff: 2
Type: FIB
Page Reference: 29
Topic: Q4
Skill: RECALL

85) Good information is based on <u>complete</u> and correct data.

Diff: 2
Type: FIB
Page Reference: 29
Topic: Q4
Skill: RECALL

86) <u>Timely</u> information is produced in time for its intended use.

Diff: 2
Type: FIB
Page Reference: 29
Topic: Q4
Skill: RECALL

87) Information should be <u>relevant</u> to both the context and the subject.

Diff: 2
Type: FIB
Page Reference: 30
Topic: Q4
Skill: RECALL

88) For information to be <u>worth its cost</u> there must be an appropriate relationship between the cost of information and its value.

Diff: 2
Type: FIB
Page Reference: 30
Topic: Q4
Skill: RECALL

89) Software and procedure components are both sets of <u>instructions</u>.

Diff: 2
Type: FIB
Page Reference: 32
Topic: Q6
Skill: RECALL

90) <u>Managerial</u> decisions concern the allocation and utilization of resources.

Diff: 2
Type: FIB
Page Reference: 35
Topic: Q7
Skill: RECALL

91) An employee's name and number would be an example of <u>data</u>.

Diff: 2
Type: FIB
Page Reference: 29
Topic: Q4
Skill: RECALL

92) The average compensation for sales agents in a company would be an example of <u>information</u>.

Diff: 2

Type: FIB
Page Reference: 29
Topic: Q4
Skill: RECALL

93) <u>Data</u> are raw, unprocessed facts such as inventory levels.

Diff: 2
Type: FIB
Page Reference: 29
Topic: Q4
Skill: RECALL

94) <u>Automation</u> is the process of moving human work to the computer side of the information system.

Diff: 2
Type: FIB
Page Reference: 33
Topic: Q6
Skill: RECALL

95) Data becomes information when it has a(n) <u>context</u>.

Diff: 2
Type: FIB
Page Reference: 29
Topic: Q4
Skill: RECALL

96) The fact that oil costs $74.25 a barrel is an example of <u>data</u>.

Diff: 2
Type: FIB
Page Reference: 29
Topic: Q4
Skill: APPLIED

97) <u>Data</u> is the bridge between the human and computer components of an information system.

Diff: 2
Type: FIB
Page Reference: 29
Topic: Q4
Skill: RECALL

98) The way in which you run a program such as a spreadsheet program is called a(n) <u>procedure</u>.

Diff: 3
Type: FIB
Page Reference: 32
Topic: Q6
Skill: APPLIED

99) Instructions for how a computer should perform specific tasks is (are) called <u>software</u>.

Diff: 2
Type: FIB
Page Reference: 32
Topic: Q6
Skill: RECALL

100) From a business process view, order placement in an inventory management process would be a(n) <u>activity</u>.

Diff: 3
Type: FIB
Page Reference: 28
Topic: Q3
Skill: APPLIED

101) A customer acts as a(n) <u>resource</u> in the inventory management process.

Diff: 3
Type: FIB
Page Reference: 28
Topic: Q3
Skill: RECALL

102) A network of activities, resources, facilities, and information that interact to achieve some business function is a(n) <u>business process</u>.

Diff: 2
Type: FIB
Page Reference: 27
Topic: Q2
Skill: RECALL

103) From a business process viewpoint, a warehouse that stores inventory would be a(n) facility.

Diff: 2
Type: FIB
Page Reference: 28
Topic: Q3
Skill: RECALL

104) The payment activity transforms invoice information into payment information.

Diff: 3
Type: FIB
Page Reference: 28
Topic: Q3
Skill: APPLIED

105) An example of a(n) manual payment activity is seen when an accounts payable clerk receives and checks the accuracy of invoices against the purchase orders before issuing a payment.

Diff: 2
Type: FIB
Page Reference: 34
Topic: Q6
Skill: RECAL

106) Provide an example of a managerial decision.

Answer:
Any decisions that involves the allocation and utilization of resources. Typical managerial decisions are: How much should we budget for computer hardware and programs for department A next year? How many engineers should we assign to project B?

Diff: 3

Type: ES
Page Reference: 35

Topic: Q7

Skill: APPLIED

107) Provide an example of an operational decision.

Answer:
Operational decisions concern day-to-day actives. Typical operational decisions are: How many widgets should we order from vendor A? Should we extend credit to vendor B? Which invoices should we pay today?

Diff: 3

Type: ES
Page Reference: 37

Topic: Q7

Skill: APPLIED

108) Provide an example of a strategic decision.

Answer:
Strategic decisions concern broader-scope, organizational issues. Typical decisions at the strategic levels are: Should we start a new product line? Should we open a centralized warehouse in Calgary?

Diff: 3

Type: ES
Page Reference: 36

Topic: Q7

Skill: APPLIED

109) Provide an example of an unstructured decision.

Answer:
An unstructured decision process is one for which there is no agreed-on decision-making method. Predicting the future direction fo the economy or the stock market is a famous example.

Diff: 3

Type: ES
Page Reference: 36

Topic: Q7

Skill: APPLIED

110) Provide an example of a structured decision.

Answer:

A structured decision is one for which there is an understood and accepted method for making the decision. A formula for computing the reorder quantity of an item in inventory is an example of a structured decision process.

Diff: 3

Type: ES
Page Reference: 36

Topic: Q7

Skill: APPLIED

111) Describe the types of systems used during the intelligence gathering step.

Answer:
During intelligence gathering, email and video conferences facilitate communication among the decision markers. Also, during the first phase, decision makers use query and reporting systems as well as other types of data analysis applications to obtain relevant data.

Diff: 3

Type: ES
Page Reference: 37

Topic: Q7

Skill: RECALL

112) Describe the types of systems used during the choice step.

Answer:
During the choice step, analysis applications such as spreadsheets and financial and other modelling applications help decision makers to analyze alternatives.

Diff: 3

Type: ES
Page Reference: 37

Topic: Q7

Skill: RECALL

113) Describe the types of systems used during the implementation step.

Answer:

The implementation stage involves the use of communications applications, and all types of information systems can be used during review.

Diff: 3

Type: ES
Page Reference: 37

Topic: Q7

Skill: RECALL

114) What does a transaction processing system support?

Answer:
A transaction processing system supports operational decisions.

Diff: 2

Type: ES
Page Reference: 35

Topic: Q7

Skill: RECALL

115) What does an executive information system support?

Answer:
Information systems that support strategic decision making are called executive information system.

Diff: 2

Type: ES
Page Reference: 36

Topic: Q7

Skill: RECALL

116) What is meant by a business process? Give an example.

Answer:
A business process is defined as being a network of activities, resources, facilities, and information that interact to achieve some business function. Sometimes they are also referred to as business systems. The text describes an example of the inventory management process which starts with Purchasing activities and ends with the Payment

activity. Other common processes might include the sales order management process and the employee recruiting process.

Diff: 2

Type: ES
Page Reference: 26

Topic: Q2

Skill: RECALL

117) What is data and how is it different from information?

Answer:
Data are simply the raw recorded facts and figures. Data is one of the five basic components of an information system. The system turns data into information by classifying, summarizing, sorting it and giving it a meaningful context.

Diff: 3

Type: ES
Page Reference: 29

Topic: Q4

Skill: APPLIED

118) What are the components of a business process? Give examples of each.

Answer:
The components of a business process include activities, resources, facilities, and information. Activities transform resources and information from one type into another. This happens when a clerk checks a customer credit rating before entering in a sales order for that customer. Resources are items of interest to the process. They interact with the process but are not under direct control of the organization. These could be customers and vendors. Facilities include databases, inventories, factories and equipment. Information is what activities use to determine how to transform the inputs they receive into outputs they produce.

Diff: 3

Type: ES
Page Reference: 28

Topic: Q3

Skill: APPLIED