# **Chapter 1: Information Systems: An Overview**

# TRUE/FALSE

1.	The most common personal digital assistant is a smartphone.
	ANS: T PTS: 1 REF: 4 NAT: BUSPROG: Technology TOP: A-head: Computers and Information Systems in Daily Life KEY: Bloom's: Knowledge
2.	Twitter is an example of a management information system (MIS).
	ANS: F PTS: 1 REF: 4 NAT: BUSPROG: Technology TOP: A-head: Computers and Information Systems in Daily Life KEY: Bloom's: Comprehension
3.	The terms "information systems" and "information technologies" are used interchangeably.
	ANS: T PTS: 1 REF: 6 NAT: BUSPROG: Technology TOP: A-head: Computers and Information Systems in Daily Life KEY: Bloom's: Knowledge
4.	Skill in using word processing software is an example of information literacy.
	ANS: F PTS: 1 REF: 6 NAT: BUSPROG: Technology TOP: A-head: Computer Literacy and Information Literacy KEY: Bloom's: Comprehension
5.	Business Intelligence (BI) includes historical views and predictive views of business operations.
	ANS: T PTS: 1 REF: 6 NAT: BUSPROG: Technology TOP: A-head: Computer Literacy and Information Literacy KEY: Bloom's: Knowledge
6.	Computers are most beneficial in transaction-processing operations.
	ANS: T PTS: 1 REF: 7 NAT: BUSPROG: Technology TOP: A-head: The Beginning: Transaction-Processing Systems KEY: Bloom's: Knowledge
7.	The software component of the management information system (MIS) includes input, output, and memory devices.
	ANS: F PTS: 1 REF: 7 NAT: BUSPROG: Technology TOP: A-head: Management Information Systems KEY: Bloom's: Knowledge
8.	In an MIS application, processes are usually methods for performing a task.
	ANS: T PTS: 1 REF: 7 NAT: BUSPROG: Technology TOP: A-head: Management Information Systems KEY: Bloom's: Knowledge
9.	In designing an MIS, the first task is to clearly define the system's objectives.
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	ANS: T PTS: 1 REF: 7 TOP: A-head: Management Information Systems	NAT: BUSPROG: Technology KEY: Bloom's: Knowledge
10.	The data component of an information system is considered the	output to the system.
	ANS: F PTS: 1 REF: 8 TOP: A-head: Major Components of an Information System	NAT: BUSPROG: Technology KEY: Bloom's: Knowledge
11.	Generally, there are three sources of data: internal, external, and	generated.
	ANS: F PTS: 1 REF: 8 TOP: A-head: Major Components of an Information System	NAT: BUSPROG: Technology KEY: Bloom's: Knowledge
12.	Customers, competitors, and suppliers are examples of internal d	ata sources.
	ANS: F PTS: 1 REF: 8 TOP: A-head: Major Components of an Information System	NAT: BUSPROG: Analytic KEY: Bloom's: Knowledge
13.	A database management system (DBMS) is used to create, organ	ize, and manage databases.
	ANS: T PTS: 1 REF: 9 TOP: A-head: Major Components of an Information System	NAT: BUSPROG: Technology KEY: Bloom's: Knowledge
14.	The quality of information is determined by its usefulness to user	rs.
	ANS: T PTS: 1 REF: 9 TOP: A-head: Major Components of an Information System	NAT: BUSPROG: Analytic KEY: Bloom's: Knowledge
15.	Most information systems avoid using graphical user interfaces.	
	ANS: F PTS: 1 REF: 9 TOP: A-head: Major Components of an Information System	NAT: BUSPROG: Technology KEY: Bloom's: Knowledge
16.	When solving problems, the users of an information system must information—such as rumors, unconfirmed reports, and stories.	avoid using informal
	ANS: F PTS: 1 REF: 10 TOP: A-head: Major Components of an Information System	NAT: BUSPROG: Technology KEY: Bloom's: Knowledge
17.	Timely, relevant, and accurate information is a critical tool for er position in the marketplace.	nhancing a company's competitive
	ANS: T PTS: 1 REF: 11 TOP: A-head: Using Information Systems and Information Tech KEY: Bloom's: Knowledge	NAT: BUSPROG: Analytic hnologies
18.	Intranets are often used to provide basic HR functions, such as envacation time they have left.	nployees checking how much
	ANS: T PTS: 1 REF: 11 TOP: A-head: Using Information Systems and Information Tech KEY: Bloom's: Knowledge	NAT: BUSPROG: Technology hnologies
	2   Page	

ANS: F PTS: 1 REF: 12 NAT: BUSPRO TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge  20. A personnel information system helps in choosing the best job candidate.  ANS: T PTS: 1 REF: 12 NAT: BUSPRO TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	
ANS: T PTS: 1 REF: 12 NAT: BUSPRO TOP: A-head: Using Information Systems and Information Technologies	OG: Technology
TOP: A-head: Using Information Systems and Information Technologies	
EL1. Diodiis. Kilowicage	OG: Technology
21. The focus of a top-line strategy for successfully competing in a marketplace is impreducing overall costs.	roving efficiency by
ANS: F PTS: 1 REF: 13 NAT: BUSPRO TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	OG: Analytic
22. Buyer power is high when customers have few choices and low when they have ma	any choices.
ANS: F PTS: 1 REF: 15 NAT: BUSPRO TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	OG: Analytic
23. Rivalry among existing competitors is high when many competitors occupy the sam position.	ne marketplace
ANS: T PTS: 1 REF: 16 NAT: BUSPRO TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	OG: Analytic
24. In the context of an information systems job, a chief technology officer oversees los and keeps an eye on new developments in the field that can affect a company's succ	
ANS: T PTS: 1 REF: 16 NAT: BUSPRO TOP: A-head: The IT Job Market KEY: Bloom's: Knowledge	OG: Analytic
25. In the context of an information systems job, a database administrator writes compusoftware segments that allow the information system to perform a specific task.	iter programs or
ANS: F PTS: 1 REF: 17 NAT: BUSPRO TOP: A-head: The IT Job Market KEY: Bloom's: Knowledge	OG: Analytic
MULTIPLE CHOICE	
<ol> <li>A typical PDA includes a(n)</li> <li>a. external monitor</li></ol>	

	ANS: B PTS: 1 REF: TOP: A-head: Computers and Information System KEY: Bloom's: Knowledge	A NAT: BUSPROG: Technology as in Daily Life
2.		Bing Droid
	ANS: A PTS: 1 REF: TOP: A-head: Computers and Information System KEY: Bloom's: Knowledge	4 NAT: BUSPROG: Technology as in Daily Life
3.	is understanding the role of information in gea. Computer literacy c. b. Information literacy d.	nerating and using business intelligence. Information security Information coding
	ANS: B PTS: 1 REF: TOP: A-head: Computer Literacy and Information	6 NAT: BUSPROG: Analytic Literacy KEY: Bloom's: Knowledge
4.	is an example of transaction-processing systa. Social networking c.b. Business intelligence d.	
	ANS: C PTS: 1 REF: TOP: A-head: The Beginning: Transaction-Procest KEY: Bloom's: Knowledge	7 NAT: BUSPROG: Technology ssing Systems
5.		clude programs developed in-house. hardware components software components
	ANS: D PTS: 1 REF: TOP: A-head: Management Information Systems	NAT: BUSPROG: Technology KEY: Bloom's: Knowledge
6.		e first task is to define the system's clearly. hardware components users
	ANS: A PTS: 1 REF: TOP: A-head: Management Information Systems	NAT: BUSPROG: Technology KEY: Bloom's: Knowledge
7.	are an example of internal source of data for a. Personnel records c. b. Population statistics d.	or an information system.  Economic conditions  Competitors
	ANS: A PTS: 1 REF: TOP: A-head: Major Components of an Informati	, and the second
8.	a. Inventory reports c. b. Personnel records d.	n system. Labor statistics Sales records
	ANS: C PTS: 1 REF: TOP: A-head: Major Components of an Informati	, and the second

ANS: C PTS: 1 REF: 9 NAT: BUSP! TOP: A-head: Major Components of an Information System KEY: Bloom	ROG: Technology a's: Comprehension
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10. The output of an information system is a. data c. a process b. a database d. information	
ANS: D PTS: 1 REF: 9 NAT: BUSP! TOP: A-head: Major Components of an Information System KEY: Bloom	ROG: Analytic s: Knowledge
<ul><li>11. The purpose of an information system's component is generating the most information for making decisions.</li><li>a. process</li><li>c. external data</li></ul>	st useful type of
b. internal data d. database	
ANS: A PTS: 1 REF: 9 NAT: BUSP! TOP: A-head: Major Components of an Information System KEY: Bloom	
<ul> <li>12. The four <i>M</i>s of resources are</li> <li>a. management, motivation, manpower, and monitoring</li> <li>b. materials, money, modeling, and monitoring</li> <li>c. manpower, machinery, materials, and money</li> <li>d. manpower, monitoring, movement, and modeling</li> </ul>	
ANS: C PTS: 1 REF: 11 NAT: BUSP! TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	ROG: Analytic
<ul> <li>13. Scheduling and assigning employees might be handled by a</li> <li>a. personnel information system</li> <li>b. manufacturing information system</li> <li>c. financial information system</li> <li>d. logistics information system</li> </ul>	1
ANS: A PTS: 1 REF: 12 NAT: BUSP! TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	ROG: Technology
<ul> <li>Managers could use a to assess the effect on final product costs of a nine product cost</li></ul>	1
ANS: B PTS: 1 REF: 12 NAT: BUSP! TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	ROG: Technology
<ul> <li>15 is one of the strategies of Michael Porter's three strategies for successfully marketplace.</li> <li>a. Groupthink</li> <li>b. Emotion</li> <li>c. Simulation</li> <li>d. Focus</li> </ul>	y competing in the
	ROG: Analytic

	TOP: A-head: Using Information Systems KEY: Bloom's: Knowledge	and Inf	formation Technologies	
16.	A successful program helps improve an organization and its clients.  a. customer relationship management  b. database management	c.	-	elationship between
	ANS: A PTS: 1 TOP: A-head: Using Information Systems KEY: Bloom's: Knowledge		13 NAT: BUSPRO formation Technologies	OG: Technology
17.	In accordance with Porter's Five Forces moontons and low when customers have more a. buyer b. prospect	e option c.		ers have fewer
	ANS: D PTS: 1 TOP: A-head: Using Information Systems KEY: Bloom's: Knowledge		15 NAT: BUSPRO formation Technologies	OG: Analytic
18.	Online brokerage firms operate in a highly information technologies to make their serva. supplier power b. buyer power	vices mo c.		
	ANS: C PTS: 1 TOP: A-head: Using Information Systems KEY: Bloom's: Knowledge		16 NAT: BUSPRO formation Technologies	OG: Analytic
19.	Within the context of the various categories understanding of data warehouse and data-a. systems mining analyst b. data design officer	mining t c.		dge and
	ANS: D PTS: 1 TOP: A-head: The IT Job Market		17 NAT: BUSPRO Bloom's: Knowledge	OG: Analytic
20.	Future progress in includes further d make information systems easier to use. a. artificial intelligence b. computer literacy	c.	ment in natural language process  personal computing power  computer criminals	ing that should
	ANS: A PTS: 1 TOP: A-head: Outlook for the Future	REF: KEY:		OG: Technology
COM	PLETION			
1.	In grocery and retail stores, a(n)universal product codes (UPCs) on items in	a shop	system speeds up service oping cart.	e by reading the
	ANS: point-of-sale (POS)			

	point-of-sale POS
	PTS: 1 REF: 3 NAT: BUSPROG: Technology TOP: A-head: Computers and Information Systems in Daily Life KEY: Bloom's: Knowledge
2.	Computer means having a basic knowledge of hardware and software, the Internet, and collaboration tools and technologies.
	ANS: literacy
	PTS: 1 REF: 6 NAT: BUSPROG: Technology TOP: A-head: Computer Literacy and Information Literacy KEY: Bloom's: Knowledge
3.	The major reason for using transaction-processing systems in an organization is
	ANS: cost reduction
	PTS: 1 REF: 7 NAT: BUSPROG: Technology TOP: A-head: The Beginning: Transaction-Processing Systems KEY: Bloom's: Knowledge
4.	A(n) is an organized integration of hardware and software technologies, data processes, and human elements designed to produce timely, integrated, relevant, accurate, and useful information for decision making purposes.
	ANS: management information system (MIS) management information system MIS
	PTS: 1 REF: 7 NAT: BUSPROG: Technology TOP: A-head: Management Information Systems KEY: Bloom's: Knowledge
5.	The component of an information system is considered the input to the system.
	ANS: data
	PTS: 1 REF: 8 NAT: BUSPROG: Technology TOP: A-head: Major Components of an Information System KEY: Bloom's: Knowledge
6.	A(n) is the heart of an information system.
	ANS: database
	PTS: 1 REF: 9 NAT: BUSPROG: Technology TOP: A-head: Major Components of an Information System KEY: Bloom's: Knowledge

7.	7. The purpose of an information system's compone useful type of information for making decisions.	ent is generating the most
	ANS: process	
	PTS: 1 REF: 9 NAT: BUSPROG: Technolog TOP: A-head: Major Components of an Information System KEY: I	
8.	3. The ultimate goal of a(n) is to generate business in	ntelligence (BI).
	ANS: information system	
	PTS: 1 REF: 10 NAT: BUSPROG: Technolog TOP: A-head: Major Components of an Information System KEY: I	
9.	The Internet is an example of an information	
	ANS: technology	
	PTS: 1 REF: 10-11 NAT: BUSPROG: Technolog TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	gy
10.	o. A(n) is designed to reduce the cost of transporting maintaining safe and reliable delivery.	g materials while
	ANS: logistics information system (LIS) logistics information system LIS	
	PTS: 1 REF: 12 NAT: BUSPROG: Technolog TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	gy
11.	. The goal of $a(n)$ is to provide information to final manner.	ncial executives in a timely
	ANS: financial information system (FIS) financial information system FIS	
	PTS: 1 REF: 12 NAT: BUSPROG: Technolog TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge	уу
12.	2. The Five Forces Model was created by	
	ANS: Michael Porter Porter	

	PTS: 1 REF: 14 NAT: BUSPROG: Analytic TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge		
13.	The top information systems job belongs to the		
	ANS: chief technology officer (CTO)/ chief information officer (CIO) chief technology officer/ chief information officer CTO/CTO		
	PTS: 1 REF: 16 NAT: BUSPROG: Analytic TOP: A-head: The IT Job Market KEY: Bloom's: Knowledge		
14.	In the context of the popular jobs in the information system's field, part of the''s responsibility is to provide network and cybersecurity.		
	ANS: network administrator		
	PTS: 1 REF: 17 NAT: BUSPROG: Analytic TOP: A-head: The IT Job Market KEY: Bloom's: Knowledge		
15.	In the context of the popular jobs in the information system's field, a (n)designs and maintains the organization's Web site.		
	ANS: webmaster		
	PTS: 1 REF: 17 NAT: BUSPROG: Analytic TOP: A-head: The IT Job Market KEY: Bloom's: Knowledge		
SHORT ANSWER			
1.	What are some ways in which students come into contact with information systems?		
	ANS: Students use computers and office suite software and might take online classes. Computers are often used to grade exam answers and generate detailed reports comparing the performance of each studen in a class. Computers and information systems also calculate grades and GPAs and can deliver this information to students.		
	PTS: 1 REF: 3 NAT: BUSPROG: Analytic TOP: A-head: Computers and Information Systems in Daily Life KEY: Bloom's: Knowledge		
2.	How can banks use computers and information systems?		
	ANS: Banks may use computers and information systems for generating a customer's monthly statement, running ATM machines, and for many banking activities.		
	PTS: 1 REF: 3 NAT: BUSPROG: Analytic		
	<b>9  </b> Page		

	TOP: A-head: Computers and Information Systems in Daily Life KEY: Bloom's: Knowledge
3.	How do organizations use social networking sites?
	ANS: Organizations use social networking sites to give customers up-to-date information and even how-to support via videos.
	PTS: 1 REF: 4 NAT: BUSPROG: Analytic TOP: A-head: Computers and Information Systems in Daily Life KEY: Bloom's: Knowledge
4.	Compare information systems and information technologies.
	ANS: Information systems are broader in scope than information technologies, but the two overlap in many areas. Both are used to help organizations be more competitive and to improve their overall efficiency and effectiveness. Information technologies offer many advantages for improving decision making but involve some challenges, too, such as security and privacy issues.
	PTS: 1 REF: 6 NAT: BUSPROG: Technology TOP: A-head: Computers and Information Systems in Daily Life KEY: Bloom's: Knowledge
5.	Give an example of how an MIS might be used in the public sector.
	ANS: In the public sector, an MIS for a police department, for example, could provide information such as crime statistics, crime forecasts, and allocation of police units. Management can examine these statistics to spot increases and decreases in crime rates or types of crimes and analyze this data to determine future deployment of law enforcement personnel.
	PTS: 1 REF: 7 NAT: BUSPROG: Technology TOP: A-head: Management Information Systems KEY: Bloom's: Knowledge
6.	List four qualities information must have to make it useful.
	ANS: To be useful, information must have the following qualities: Timeliness Integration with other data and information Consistency and accuracy Relevance
	PTS: 1 REF: 9 NAT: BUSPROG: Analytic TOP: A-head: Major Components of an Information System KEY: Bloom's: Knowledge
7.	Describe how a personnel information system (PIS) helps decision makers.
	ANS:

	A personnel information system (PIS) or human resource information system (HRIS) is designed to provide information that helps decision makers in personnel carry out their tasks more effectively.
	PTS: 1 REF: 11 NAT: BUSPROG: Technology TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge
8.	Explain the main difference between an intranet and the Internet.
	ANS: The main difference between an intranet and the Internet is that intranets are private and the Internet is public.
	PTS: 1 REF: 12 NAT: BUSPROG: Technology TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge
9.	Define and describe a manufacturing information system (MFIS).
	ANS: A manufacturing information system (MFIS) is used to manage manufacturing resources so that companies can reduce manufacturing costs, increase product quality and make better inventory decisions. MFISs can perform many types of analysis with a high degree of timeliness and accuracy.
	PTS: 1 REF: 12 NAT: BUSPROG: Technology TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge
10.	Explain the difference in focus for a bottom-line strategy and a top-line strategy.
	ANS: The focus of a bottom-line strategy is improving efficiency by reducing overall costs. A top-line strategy focuses on generating new revenue by offering new products and services to customers or increasing revenue by selling existing products and services to new customers.
	PTS: 1 REF: 13 NAT: BUSPROG: Analytic TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge
11.	How might an organization combat the threat of new entrants?
	ANS: Organizations often use focus strategies to ensure that threat of new entrants remains low. For example, developing a search engine that could compete successfully with Google would be difficult.
	PTS: 1 REF: 16 NAT: BUSPROG: Analytic TOP: A-head: Using Information Systems and Information Technologies KEY: Bloom's: Knowledge
12.	Describe the role of the chief privacy officer.

ANS:

The chief privacy officer is an executive position that includes responsibility for managing the risks and business impacts of privacy laws and policies.

PTS: 1 REF: 16 NAT: BUSPROG: Analytic TOP: A-head: The IT Job Market KEY: Bloom's: Knowledge

13. Describe the role of the systems analyst and the knowledge required for the position.

## ANS:

The systems analyst is responsible for the design and implementation of information systems. In addition to computer knowledge and an information systems background, this position requires a thorough understanding of business systems and functional areas within a business organization.

PTS: 1 REF: 16-17 NAT: BUSPROG: Analytic TOP: A-head: The IT Job Market KEY: Bloom's: Knowledge

14. Describe how networking technologies will improve in the future.

#### ANS:

Networking technologies will improve, so connecting computers will be easier, and sending information from one location to another will be faster. Compatibility issues between networks will become more manageable, and integrating voice, data, and images on the same transmission medium will improve communication quality and information delivery.

PTS: 1 REF: 17 NAT: BUSPROG: Technology TOP: A-head: Outlook for the Future KEY: Bloom's: Knowledge

15. Describe the impact of Internet growth in the future.

#### ANS:

Internet growth and acceptance will continue, which will put small and large organizations on the same footing, regardless of their financial status. Internet growth will also make e-collaboration easier, despite geographical distances.

PTS: 1 REF: 17 NAT: BUSPROG: Technology TOP: A-head: Outlook for the Future KEY: Bloom's: Knowledge

# **ESSAY**

1. What are personal digital assistants (PDAs) and smartphones?

#### ANS:

A typical PDA includes a calendar, address book, and task-list programs; more advanced PDAs often allow for wireless connection to the Internet and have built-in MP3 players. The most common PDA is a smartphone (such as an iPhone, Droid, or a Blackberry). Smartphones are mobile phones with advanced capabilities, much like a mini PC. They include e-mail and Web-browsing features, and most have a built-in keyboard or an external USB keyboard.

PTS: 1 REF: 4 NAT: BUSPROG: Technology

TOP: A-head: Computers and Information Systems in Daily Life

KEY: Bloom's: Knowledge

2. What should a knowledge worker know about Business Intelligence?

## ANS:

- a) Knowledge workers should know the following:
- b) Internal and external sources of data
- c) How data is collected
- d) Why data is collected
- e) What type of data should be collected
- f) How data is converted to information and eventually to business intelligence
- g) How data should be indexed and updated
- h) How data and information should be used to gain a competitive advantage

PTS: 1 REF: 6 NAT: BUSPROG: Technology

TOP: A-head: Computer Literacy and Information Literacy KEY: Bloom's: Knowledge

3. What is a database? What role does a database play in an information system?

### ANS:

A database, the heart of an information system, is a collection of all relevant data organized in a series of integrated files. A comprehensive database is essential for the success of any information system. To create, organize, and manage databases, a database management system (DBMS) is used, such as Microsoft Access or FileMaker Pro for home or small-office use. In a large organization, a DBMS, such as Oracle or IBM DB2, might be used.

Databases are also important for reducing personnel time needed to gather, process, and interpret data manually. With a computerized database and a DBMS, data can be treated as a common resource that's easy to access and use.

PTS: 1 REF: 9 NAT: BUSPROG: Technology

TOP: A-head: Major Components of an Information System KEY: Bloom's: Knowledge

4. What types of decisions are supported by a logistics information system(LIS)?

### ANS:

The following are a few examples of decisions supported by an LIS:

- a) Improving routing and delivery schedules
- b) Selecting the best modes of transportation
- c) Improving transportation budgeting
- d) Improving shipment planning

PTS: 1 REF: 12 NAT: BUSPROG: Technology

TOP: A-head: Using Information Systems and Information Technologies

KEY: Bloom's: Knowledge

5. Describe the threat of substitute products or services and how organizations fight this threat.

## ANS:

The threat of substitute products or services is high when many alternatives to an organization's products or services are available. Some organizations use services to make them more distinct in the marketplace, such as Amazon.com's personalized recommendations. Other organizations use fees to discourage customers from switching to a competitor, such as cell phone companies adding charges for switching to another provider before the customer contract is up.

PTS: 1 REF: 16 NAT: BUSPROG: Analytic TOP: A-head: Using Information Systems and Information Technologies

KEY: Bloom's: Knowledge