**Chapter 01 Test Bank**

Student:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. The Internet of Things (IoT) is a world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention.

True False

2. Machine to machine (M2M) refers to devices that connect directly to other devices.

True False

3. The Internet of Things refers to devices that connect directly to other devices.

True False

4. Machine to machine (M2M) extracts information from data and uses it to predict future trends and identify behavioral patterns.

True False

5. Companies today are successful when they combine the power of the information age with traditional business methods.

True False

6. The information age is the present time, during which infinite quantities of facts are widely available to anyone who can use a computer.

True False

7. A fact is the confirmation or validation of an event or object. In the past, people primarily learned facts from books.

True False

8. Zappos is not a technology company; its primary business focus is to sell books.

True False

9. Order date, amount sold, and customer number are all forms of data.

True False

10. Choosing not to fire a sales representative who is underperforming, knowing that person is experiencing family problems, is a form of knowledge.

True False

11. Top managers use social intelligence to define the future of the business, analyzing markets, industries, and economies to determine the strategic direction the company must follow to remain unprofitable.

True False

12. Business intelligence is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.

True False

13. A variable is a business intelligence characteristic that stands for a value that cannot change over time.

True False

14. People using the same information can make different decisions depending on how they interpret or analyze the information.

True False

15. Knowledge workers are individuals valued for their ability to mitigate risk and implement critical human resource rules and regulations.

True False

16. Predictive analytics extracts information from data and uses it to predict future trends and identify behavioral patterns.

True False

17. Top managers use predictive analytics to define the future of the business, analyzing markets, industries, and economies to determine the strategic direction the company must follow to remain profitable.

True False

18. Predictive analytics is a world where interconnected, Internet-enabled devices or “things” can collect and share data without human intervention.

True False

19. Using only data and information to make decisions and solve problems is the key to finding success in business. These are also the only core drivers of the information age and the building blocks of business systems.

True False

20. The finance department performs the function of selling goods or services.

True False

21. The marketing department supports sales by planning, pricing, and promoting goods or services.

True False

22. The operations management department manages the process of converting or transforming resources into goods or services.

True False

23. The accounting and finance departments primarily use monetary data.

True False

24. The sales and marketing departments primarily use monetary data.

True False

25. For an organization to succeed, every department or functional area must work independently to be most effective.

True False

26. Successful companies today operate cross-functionally, integrating the operations of all departments.

True False

27. The business decisions made by the marketing department include promotional data, sales data, and advertising data.

True False

28. The business decisions made by the human resources department include employee data, promotion data, and vacation data.

True False

29. The business decisions made by the finance department include investment data, monetary data, and reporting data.

True False

30. The business decisions made by the accounting department include transactional data, purchasing data, payroll data, and tax data.

True False

31. The business decisions made by the sales department include potential customer data, sales report data, commission data, and customer support data.

True False

32. The business decisions made by the operations management department include manufacturing data, distribution data, and production data.

True False

33. The business decisions made by the finance department include promotion data, sales data, and advertising data.

True False

34. The business decisions made by the accounting department include employee data, promotion data, and vacation data.

True False

35. The business decisions made by the human resources department include investment data, monetary data, and reporting data.

True False

36. The business decisions made by the marketing department include transactional data, purchasing data, payroll data, and tax data.

True False

37. The business decisions made by the human resources department include potential customer data, sales report data, commission data, and customer support data.

True False

38. The business decisions made by the accounting department include manufacturing data, distribution data, and production data.

True False

39. Waiting tables, teaching, and cutting hair are all examples of services that people pay for to fulfill a need.

True False

40. An overview of systems thinking includes input, process, output, and finances.

True False

41. MIS is a tool that is most valuable when it leverages the talents of people who know how to use and manage it effectively.

True False

42. The chief technology officer is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks from hackers and viruses.

True False

43. The chief security officer is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks from hackers and viruses.

True False

44. The chief technology officer is responsible for ensuring the speed, accuracy, availability, and reliability for MIS.

True False

45. The chief privacy officer is responsible for ensuring the ethical and legal use of information within a company.

True False

46. The chief knowledge officer is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives.

True False

47. The chief knowledge officer is responsible for collecting, maintaining, and distributing company knowledge.

True False

48. Goods are material items or products that customers will buy to satisfy a want or need.

True False

49. Cars, groceries, and clothing are all examples of goods.

True False

50. Production is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.

True False

51. Productivity is the rate at which goods and services are produced based upon total output given total inputs.

True False

52. Lettuce, tomatoes, patty, bun, and ketchup are included in the output of making a hamburger.

True False

53. Cooking a patty and putting the ingredients together are included in the process of making a hamburger.

True False

54. Bread, cheese, and butter are included in the process of making a grilled cheese sandwich.

True False

55. A grilled cheese sandwich is considered the final output of a making-a-sandwich process.

True False

56. If a business could produce the same hamburger with less expensive inputs it would probably see a decrease in profits.

True False

57. If a business could produce more hamburgers with the same inputs it would see a rise in productivity and possibly an increase in profits.

True False

58. To combat business challenges, leaders communicate and execute business strategies, a term deriving from the Greek word *stratus* for army and *ago* for leading.

True False

59. A stakeholder is a person or group that has an interest or concern in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change.

True False

60. It is not uncommon to find stakeholders' business strategies have conflicting interests such as investors looking to increase profits by eliminating employee jobs.

True False

61. A leadership plan that achieves a specific set of goals or objectives is a business strategy.

True False

62. Companies update business strategies continuously as internal and external environments change.

True False

63. Competitive advantages provide the same product or service either at a lower price or with additional value that can fetch premium prices.

True False

64. When a company is the first to market with a competitive advantage, it gains a particular benefit known as competitive intelligence.

True False

65. Businesses rarely need to update business strategies as the business environment remains relatively stable.

True False

66. Attracting new customers, decreasing costs, and entering new markets are all examples of successful business strategies.

True False

67. Decreasing customer loyalty, increasing costs, and decreasing sales are all examples of business strategies.

True False

68. A first-mover advantage is the process of gathering information about the competitive environment, including competitors’ plans, activities, and products, to improve a company’s ability to succeed.

True False

69. Competitive intelligence is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.

True False

70. FedEx created a first-mover advantage by developing its customer self-service software, which allows people to request parcel pickups, print mailing slips, and track parcels online.

True False

71. A SWOT analysis evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.

True False

72. A SWOT analysis evaluates an organization’s strengths, worries, opportunities, and technologies to identify significant influences that work for or against business strategies.

True False

73. In a SWOT analysis, strengths and weaknesses originate inside an organization, or internally. Opportunities and threats originate outside an organization, or externally, and cannot always be anticipated or controlled.

True False

74. In a SWOT analysis, potential internal strengths are helpful when they identify all key strengths associated with the competitive advantage including cost advantages, new and/or innovative services, special expertise and/or experience, proven market leader, improved marketing campaigns, and so on.

True False

75. In a SWOT analysis, potential internal weaknesses are harmful when they identify all key areas that require improvement. Weaknesses focus on the absence of certain strengths, including absence of an Internet marketing plan, damaged reputation, problem areas for service, outdated technology, employee issues, and so on.

True False

76. In a SWOT analysis, potential external opportunities are helpful when they identify all significant trends along with how the organization can benefit from each, including new markets, additional customer groups, legal changes, innovative technologies, population changes, competitor issues, and so on.

True False

77. In a SWOT analysis, potential external threats are harmful when they identify all threats or risks detrimental to your organization, including new market entrants, substitute products, employee turnover, differentiating products, shrinking markets, adverse changes in regulations, economic shifts, and so on.

True False

78. Mark Peterson identified the Porter’s Five Forces Model which analyzes the competitive forces within a business environment.

True False

79. Porter's Five Forces Model outlines the process for a sales strategy.

True False

80. With the Five Forces Model, companies should watch the forces in the market. If the forces are strong, competition generally increases, and if the forces are weak, competition typically decreases.

True False

81. There are many challenges to changing doctors, including transferring medical records and losing the doctor patient relationship along with the doctor’s knowledge of the patient’s history. Changing doctors provides a great example of switching costs.

True False

82. Buyer power is the ability of buyers to affect the price they must pay for an item.

True False

83. Supplier power is one of Porter's five forces and it measures the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services).

True False

84. Polaroid had a unique competitive advantage for many years until it forgot to observe competitive intelligence. The firm went bankrupt when people began taking digital pictures. Polaroid provides a great example of Porter's supplier power.

True False

85. The threat of substitute products or services refers to the power of competitors to enter a new market.

True False

86. Rivalry among existing competitors refers to the ability of buyers to affect the price they must pay for an item.

True False

87. The threat of substitute products or services refers to the power of customers to purchase alternatives.

True False

88. Product differentiation occurs when a company develops unique differences in its products or services with the intent to influence demand.

True False

89. Porter has identified three generic business strategies including focused, broad cost leadership, and switching strategy.

True False

90. According to Porter’s three generic strategies, Walmart is following a business strategy that focuses on broad market and low cost.

True False

91. According to Porter it is recommended to adopt only one of the three generic strategies.

True False

92. Buyer power is included as one of Porter's three generic strategies.

True False

93. Tiffany & Company competes in the marketplace by offering high-cost custom jewelry. Tiffany & Company is following a broad market and cost leadership strategy.

True False

94. Value chain analysis views a firm as a series of business processes that each adds value to the product or service.

True False

95. A standardized set of activities that accomplish a specific task is called a supply chain component.

True False

96. The value chain will group a company's activities into two categories: primary value activities and support value activities.

True False

97. A business process is a standardized set of activities that accomplish a specific task, such as processing a customer's order.

True False

98. A primary value activity is a standardized set of activities that accomplish a specific task, such as processing a customer's order.

True False

99. Inbound logistics and operations are part of the primary value activities.

True False

100. Inbound logistics and operations are part of the support value activities.

True False

101. Firm infrastructure and human resource management are part of the primary value activities.

True False

102. Firm infrastructure and human resource management are part of the support value activities.

True False

103. Why do students need to study information technology?

A. Information technology is everywhere in business.

B. Information technology is frequently discussed in business.

C. Information technology is frequently used in organizations.

D. All of these are correct.

104. Why do students need to study information technology?

A. Information technology is everywhere in business.

B. Information technology is rarely discussed in business.

C. Information technology is rarely used in organizations.

D. Information technology is found in only a few businesses.

105. What is the Internet of Things?

A. a world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention

B. extracts information from data and uses it to predict future trends and identify behavioral patterns

C. refers to devices that connect directly to other devices

D. opportunities to change the way people purchase books

106. What is machine to machine?

A. a world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention

B. extracts information from data and uses it to predict future trends and identify behavioral patterns

C. refers to devices that connect directly to other devices

D. opportunities to change the way people purchase books

107. What is the confirmation or validation of an event or object?

A. fact

B. data

C. information technology

D. business intelligence

108. The age we live in has infinite quantities of facts that are widely available to anyone who can use a computer. What age is this statement referring to?

A. data age

B. information age

C. business intelligence age

D. Internet of Things

109. Which of the following is *not* a technology company but used technology to revamp the business process of selling books?

A. Netflix

B. Dell

C. Zappos

D. Amazon

110. Which of the following is *not* a technology company but used technology to revamp the business process of renting videos?

A. Netflix

B. Dell

C. Zappos

D. Amazon

111. \_\_\_\_\_\_\_\_\_\_\_ is a world where interconnected, Internet-enabled devices or “things” can collect and share data without human intervention.

A. Internet of Things

B. Predictive Analytics

C. Machine to Machine

D. Flat World

112. \_\_\_\_\_\_\_\_\_ refers to devices that connect directly to other devices.

A. Internet of Things

B. Predictive analytics

C. Machine to machine

D. Flat world

113. Which of the following is *not* a technology company but used technology to revamp the business process of selling shoes?

A. Netflix

B. Dell

C. Zappos

D. Amazon

114. Which of the following is the key term that defines the confirmation or validation of an event or object?

A. buyer power

B. data

C. fact

D. entry barrier

115. What is data converted into a meaningful and useful context?

A. competitive intelligence

B. information

C. buyer power

D. first-mover advantage

116. Which of the following is *not* considered a core driver of the information age?

A. information

B. usiness Intelligence

C. competitive Intelligence

D. data

117. Which of the following is *not* considered a core driver of the information age?

A. information

B. business Intelligence

C. knowledge

D. variables

118. Which of the following is considered a core driver of the information age?

A. fact

B. goods

C. competitive Intelligence

D. data

119. Which of the following is considered a core driver of the information age?

A. information

B. business intelligence

C. knowledge

D. All of these are correct.

120. Which of the following is considered information?

A. quantity sold

B. date sold

C. best-selling item by month

D. product sold

121. Which of the following is considered data?

A. quantity sold

B. best customer by month

C. best-selling item by month

D. worst selling item by month

122. Cheryl is the operations manager for Nature’s Bread Company, which specializes in providing natural products for health conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company’s profitability and forecast production for the next day. Which of the following is an example of a piece of data Cheryl would be using to successfully perform her job?

A. Craig Newmark is customer number 15467.

B. compare the costs of supplies including energy over the last five years to determine the best-selling product by month

C. best-selling product by day

D. Best-selling product changes when Tony the best baker is working.

123. Cheryl is the operations manager for Nature’s Bread Company, which specializes in providing natural products for health conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company’s profitability and forecast production for the next day. Which of the following is an example of the type of information Cheryl would be using to successfully perform her job?

A. Craig Newmark is customer number 15467.

B. Flour Power is supplier number 8745643.

C. best-selling product by day

D. Best-selling product changes when Tony the best baker is working.

124. Cheryl is the operations manager for Nature’s Bread Company, which specializes in providing natural products for health conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company’s profitability and forecast production for the next day. Which of the following is an example of knowledge that Cheryl would be using to successfully perform her job?

A. Craig Newmark is customer number 15467.

B. Flour Power is supplier number 8745643.

C. best-selling product by day

D. Best-selling product changes when Tony the best baker is working.

125. Which of the following is an example of information?

A. Who is customer number 12345XX?

B. What is product number 12345XX?

C. What customer number is Bob Smith?

D. What is my worst-selling product?

126. Which of the following is an example of data?

A. Who are my best customers?

B. What is my best-selling product?

C. What is my worst-selling product?

D. Who is customer number 12345XX?

127. What is data?

A. raw facts that describe the characteristics of an event or object

B. data converted into a meaningful and useful context

C. information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making

D. skills, experience, and expertise, coupled with information and intelligence, that creates a person’s intellectual resources

128. Data is useful for understanding individual sales, but to gain deeper insight into a business data needs to be turned into information. Which of the following offers an example of turning data into information?

A. Who are my best customers?

B. What is my best-selling product?

C. What is my worst-selling product?

D. All of these are correct.

129. What is information?

A. raw facts that describe the characteristics of an event or object

B. data converted into a meaningful and useful context

C. information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making

D. skills, experience, and expertise, coupled with information and intelligence that creates a person’s intellectual resources

130. What is business intelligence?

A. raw facts that describe the characteristics of an event or object

B. data converted into a meaningful and useful context

C. information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making

D. skills, experience, and expertise, coupled with information and intelligence, which creates a person’s intellectual resources

131. What is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making?

A. supplier’s intelligence

B. social intelligence

C. employee intelligence

D. business intelligence

132. Information is data converted into useful, meaningful context. What are data characteristics that change or vary over time?

A. facts

B. variables

C. supplies

D. services

133. Business intelligence is information collected from multiple sources. Which of the following provides an example of a source that would be included in business intelligence?

A. suppliers

B. customers

C. competitors

D. All of these are correct.

134. Which of the following represents the definition of a variable?

A. a data characteristic that is collected through competitive intelligence and cannot change over time

B. a data characteristic that stands for a value that changes or varies over time

C. a data characteristic that stands for a value that does not change or vary over time

D. a data characteristic that is collected only through competitive intelligence and can change over time

135. \_\_\_\_\_\_\_\_ extracts information from data and uses it to predict future trends and identify behavioral patterns.

A. Internet of Things

B. Predictive Analytics

C. Machine to Machine

D. Flat World

136. Today’s workers are referred to as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and they use BI along with personal experience to make decisions based on both information and intuition, a valuable resource for any company.

A. knowledge workers

B. knowledge thinkers

C. knowledge resources

D. knowledge players

137. What is knowledge?

A. Raw facts that describe the characteristics of an event or object.

B. Data converted into a meaningful and useful context.

C. Information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making.

D. Skills, experience, and expertise, coupled with information and intelligence that creates a person’s intellectual resources.

138. Which of the following represents the core drivers of the information age?

A. data, information, business intelligence, knowledge

B. fact, data, intelligence, experience

C. fact, intelligence, business skills, knowledge

D. data, intelligence, business information, knowledge

139. Which of the following is *not* a core driver of the information age?

A. information

B. knowledge

C. Internet of Things

D. data

140. What is predictive analytics?

A. A world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention

B. Extracts information from data and uses it to predict future trends and identify behavioral patterns

C. Refers to devices that connect directly to other devices

D. Opportunities to change the way people purchase books

141. How are the majority of companies today typically organized?

A. by departments or functional areas

B. by departments or financial areas

C. by degree or financial areas

D. by manager or knowledge area

142. How does the text recommend that a company operate if it wants to be successful in the information age?

A. functionally independent between departments

B. interdependently between departments

C. together as one department with little or no independence

D. each department acting as its own individual business unit

143. Most companies are typically organized by departments or functional areas. Which of the following is not a common department found in a company?

A. accounting

B. payroll

C. marketing

D. human resources

144. The sales department needs to rely on information from operations to understand \_\_\_\_\_\_\_\_\_.

A. inventory

B. customer orders

C. demand forecasts

D. All of these are correct.

145. Which of the following represents the department that maintains policies, plans, and procedures for the effective management of employees?

A. human resources

B. sales

C. employee resources

D. employee relations

146. Greg works for Geneva Steel Corporation. Greg’s duties include managing the overall processes for the company and transforming the steel resources into goods. Which department would Greg most likely work in?

A. accounting

B. operations management

C. marketing

D. CIO

147. Information technology can enable departments to more efficiently and effectively perform their core \_\_\_\_\_\_\_\_\_\_\_\_\_.

A. facts

B. feedback mechanisms

C. business operations

D. media issues

148. The department within a company that records, measures, and reports monetary transactions is called \_\_\_\_\_\_\_\_\_\_\_\_\_.

A. accounting

B. marketing

C. human resources

D. operations management

149. The department within a company that performs the function of selling goods or services is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

A. marketing

B. sales

C. finance

D. operations management

150. The department within a company that supports the sales by planning, pricing, and promoting goods or services is called \_\_\_\_\_\_\_\_\_\_\_.

A. sales

B. operations management

C. accounting

D. marketing

151. Which department tracks strategic financial issues, including money, banking, credit, investments, and assets?

A. sales

B. operations management

C. accounting

D. finance

152. Which department manages the process of converting or transforming resources into goods or services?

A. sales

B. operations management

C. accounting

D. finance

153. Which department records, measures, and reports monetary transactions?

A. sales

B. operations management

C. accounting

D. finance

154. Which department maintains policies, plans, and procedures for the effective management of employees?

A. sales

B. operations management

C. accounting

D. human resources

155. Which activities belong in the accounting department?

A. records, measures, and reports monetary transactions

B. tracks strategic financial issues, including money, banking, credit, investments, and assets

C. supports sales by planning, pricing, and promoting goods or services is marketing

D. relies on information from operations to understand inventory, place orders, and forecast consumer demand

156. Which activities belong in the finance department?

A. records, measures, and reports monetary transactions

B. tracks strategic financial issues, including money, banking, credit, investments, and assets

C. supports sales by planning, pricing, and promoting goods or services is marketing

D. relies on information from operations to understand inventory, place orders, and forecast consumer demand

157. Which activities belong in the marketing department?

A. records, measures, and reports monetary transactions

B. tracks strategic financial issues, including money, banking, credit, investments, and assets

C. supports sales by planning, pricing, and promoting goods or services is marketing

D. relies on information from operations to understand inventory, place orders, and forecast consumer demand

158. Which activities belong in the sales department?

A. records, measures, and reports monetary transactions

B. tracks strategic financial issues, including money, banking, credit, investments, and assets

C. supports the sales by planning, pricing, and promoting goods or services is marketing

D. relies on information from operations to understand inventory, place orders, and forecast consumer demand

159. Which activities belong in the human resources department?

A. records, measures, and reports monetary transactions

B. tracks strategic financial issues, including money, banking, credit, investments, and assets

C. supports sales by planning, pricing, and promoting goods or services is marketing

D. maintains policies, plans, and procedures for the effective management of employees

160. Which activities belong in the operations management department?

A. records, measures, and reports monetary transactions

B. manages the process of converting or transforming resources into goods or services

C. supports the sales by planning, pricing, and promoting goods or services is marketing

D. maintains policies, plans, and procedures for the effective management of employees

161. Which data types are typically found in the marketing department?

A. promotion data, sales data, advertising data

B. employee data, promotion data, vacation data

C. investment data, monetary data, reporting data

D. transactional data, purchasing data, payroll data, tax data

162. Which data types are typically found in the human resources department?

A. promotion data, sales data, advertising data

B. employee data, promotion data, vacation data

C. investment data, monetary data, reporting data

D. transactional data, purchasing data, payroll data, tax data

163. Which data types are typically found in the finance department?

A. promotion data, sales data, advertising data

B. employee data, promotion data, vacation data

C. investment data, monetary data, reporting data

D. transactional data, purchasing data, payroll data, tax data

164. Which data types are typically found in the accounting department?

A. promotion data, sales data, advertising data

B. employee data, promotion data, vacation data

C. investment data, monetary data, reporting data

D. transactional data, purchasing data, payroll data, tax data

165. Which data types are typically found in the sales department?

A. sales data, customer data, commission data, and customer support data

B. employee data, promotion data, vacation data

C. investment data, monetary data, reporting data

D. transactional data, purchasing data, payroll data, tax data

166. Which data types are typically found in the operations management department?

A. manufacturing data, distribution data, and production data

B. sales data, customer data, commission data, and customer support data

C. employee data, promotion data, vacation data

D. investment data, monetary data, reporting data

167. Which of the following represents the relationship between functional areas in a business?

A. independent

B. autonomous

C. interdependent

D. self-sufficient

168. Which of the following represents the types of data commonly found in the accounting department?

A. tax data

B. payroll data

C. transactional data

D. All of these are correct.

169. Which of the following represents the types of data commonly found in the finance department?

A. monetary data

B. technology data

C. production data

D. employee data

170. Which of the following represents the types of data commonly found in the human resources department?

A. financial data

B. technology data

C. production data

D. employee data

171. Which of the following represents the types of data commonly found in the sales department?

A. customer data

B. sales report data

C. commission data

D. All of these are correct.

172. Which of the following represents the types of data commonly found in the marketing department?

A. promotional data

B. payroll data

C. tax data

D. employee data

173. Which of the following represents the types of data commonly found in the operations management department?

A. monetary data

B. payroll data

C. production data

D. employee data

174. What are material items or products that customers will buy to satisfy a want or need?

A. goods

B. services

C. production

D. productivity

175. What are tasks performed by people that customers will buy to satisfy a want or need?

A. goods

B. services

C. production

D. productivity

176. What is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services?

A. goods

B. services

C. production

D. productivity

177. What is the rate at which goods and services are produced based upon total output given total inputs?

A. goods

B. services

C. production

D. productivity

178. What are goods?

A. material items or products that customers will buy to satisfy a want or need

B. tasks performed by people that customers will buy to satisfy a want or need

C. the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services

D. the rate at which goods and services are produced based upon total output given total inputs

179. What are services?

A. material items or products that customers will buy to satisfy a want or need

B. tasks performed by people that customers will buy to satisfy a want or need

C. the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services

D. the rate at which goods and services are produced based upon total output given total inputs

180. What is production?

A. material items or products that customers will buy to satisfy a want or need

B. tasks performed by people that customers will buy to satisfy a want or need

C. the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services

D. the rate at which goods and services are produced based upon total output given total inputs

181. If you were thinking about a washing machine as a system, which of the following represents the inputs?

A. the dirty clothes, water, and detergent

B. the clean clothes

C. the wash and rinse cycle

D. the light indicating that the washer is off balance and has stopped

182. If you were thinking about a washing machine as a system, which of the following represents the process?

A. the dirty clothes, water, and detergent

B. the clean clothes

C. the wash and rinse cycle

D. the light indicating that the washer is off balance and has stopped

183. If you were thinking about a washing machine as a system, which of the following represents the feedback?

A. the dirty clothes, water, and detergent

B. the clean clothes

C. the wash and rinse cycle

D. the light indicating that the washer is off balance and has stopped

184. If you were thinking about a washing machine as a system, which of the following represents the outputs?

A. the dirty clothes, water, and detergent

B. the clean clothes

C. the wash and rinse cycle

D. the light indicating that the washer is off balance and has stopped

185. If you were thinking about an oven as a system, which of the following represents the input?

A. the uncooked food

B. the cooked food

C. a light indicating that the oven has reached the preheated temperature

D. the oven running at 350 degrees for 20 minutes

186. If you were thinking about an oven as a system, which of the following represents the output?

A. the uncooked food

B. the cooked food

C. a light indicating that the oven has reached the preheated temperature

D. the oven running at 350 degrees for 20 minutes

187. If you were thinking about an oven as a system, which of the following represents the process?

A. the uncooked food

B. the cooked food

C. a light indicating that the oven has reached the preheated temperature

D. the oven running at 350 degrees for 20 minutes

188. If you were thinking about an oven as a system, which of the following represents the feedback?

A. the uncooked food

B. the cooked food

C. a light indicating that the oven has reached the preheated temperature

D. the oven running at 350 degrees for 20 minutes

189. If you were thinking about a home theater system, which of the following represents the inputs?

A. the DVD player, DVD movie, speakers, TV, and electricity

B. playing the movie, including the audio through the speakers and the video on the TV

C. a message stating that the disk is dirty and cannot be played

D. spinning the disk to play, pause, rewind, or fast forward

190. If you were thinking about a home theater system, which of the following represents the outputs?

A. the DVD player, DVD movie, speakers, TV, and electricity

B. playing the movie including the audio through the speakers and the video on the TV

C. a message stating that the disk is dirty and cannot be played

D. spinning the disk to play, pause, rewind, or fast forward

191. If you were thinking about a home theater system, which of the following represents the process?

A. the DVD player, DVD movie, speakers, TV, and electricity

B. playing the movie including the audio through the speakers and the video on the TV

C. a message stating that the disk is dirty and cannot be played

D. spinning the disk to play, pause, rewind, or fast forward

192. If you were thinking about a home theater system, which of the following represents the feedback?

A. the DVD player, DVD movie, speakers, TV, and electricity

B. playing the movie including the audio through the speakers and the video on the TV

C. a message stating that the disk is dirty and cannot be played

D. spinning the disk to play, pause, rewind, or fast forward

193. What is productivity?

A. material items or products that customers will buy to satisfy a want or need

B. tasks performed by people that customers will buy to satisfy a want or need

C. the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services

D. the rate at which goods and services are produced based upon total output given total inputs

194. Cars, groceries, and clothing belong in which category?

A. goods

B. services

C. production

D. productivity

195. Teaching, waiting tables, and cutting hair belong in which category?

A. goods

B. services

C. production

D. productivity

196. Which of the following is considered a good?

A. cars

B. groceries

C. clothing

D. All of these are correct.

197. Which of the following is considered a service?

A. teaching

B. waiting tables

C. cutting hair

D. All of these are correct.

198. Which of the following is considered a good?

A. cars

B. teaching

C. waiting tables

D. All of these are correct.

199. Which of the following is considered a service?

A. cars

B. groceries

C. cutting hair

D. All of these are correct.

200. Which of the following is considered a good?

A. milk and eggs

B. managing a team

C. selling groceries

D. All of these are correct.

201. Which of the following is considered a service?

A. selling groceries

B. managing a team

C. cutting hair

D. All of these are correct.

202. The lettuce, tomatoes, patty, bun, and ketchup are included in which category of making a hamburger?

A. input

B. process

C. output

D. All of these are correct.

203. Cooking a patty and putting the ingredients together are included in which category of making a hamburger?

A. input

B. process

C. output

D. All of these are correct.

204. The actual hamburger is included in which category of making a hamburger?

A. input

B. process

C. output

D. All of these are correct.

205. Assume you are in the business of producing and selling hamburgers. If you could produce more hamburgers with the same input, what would happen to your productivity and profits assuming the price of your hamburgers remains the same?

A. increase in productivity, decrease in profits

B. increase in productivity, increase in profits

C. decrease in productivity, decrease in profits

D. decrease in productivity, increase in profits

206. Assume you are in the business of producing and selling t-shirts. If you could produce more t-shirts with the same input, what would happen to your productivity and profits assuming the price of your t-shirts remains the same?

A. increase in productivity, decrease in profits

B. increase in productivity, increase in profits

C. decrease in productivity, decrease in profits

D. decrease in productivity, increase in profits

207. Assume you are in the business of producing and selling cars. If you could produce more cars with the same input, what would happen to your productivity and profits assuming the price of your cars remains the same?

A. increase in productivity, decrease in profits

B. increase in productivity, increase in profits

C. decrease in productivity, decrease in profits

D. decrease in productivity, increase in profits

208. Which of the following statements is true?

A. MIS equals business success.

B. MIS equals business innovation.

C. MIS represents business success and innovation.

D. MIS enables business success and innovation.

209. What is a way of monitoring the entire system in a company, by viewing the multiple inputs being processed to produce outputs?

A. feedback thinking

B. systems thinking

C. output management

D. operational thinking

210. Feedback is information that returns to its original transmitter and modifies the transmitter's actions. What would the original transmitter include?

A. input, transform, output

B. input, transform, outnumber

C. output, input, performer

D. input, process, transform

211. Which of the following provides an accurate definition of systems thinking?

A. a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part

B. a way of monitoring individual components including an input, the process, and an output, while continuously gathering feedback on the entire system

C. a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on the entire system

D. a way of monitoring singular parts of a system by viewing a single input that is processed or transformed to produce an entire system that is continuously monitored to gather feedback on each individual part

212. MIS is a business function. Which of the following does MIS perform to help aid the company in decision making and problem solving?

A. moves information about people

B. moves processes across the company to improve systems

C. moves information about products

D. All of these are correct.

213. A system is a collection of parts that link to achieve a common purpose. Systems thinking is a way of monitoring \_\_\_\_\_\_\_\_\_\_\_\_\_.

A. the entire system

B. a division within the sales role

C. the executive team

D. the company’s competitors

214. MIS can be an important enabler of business success and innovation. Which of the below statements is accurate when referring to MIS?

A. MIS equals business success and innovation.

B. MIS represents business success and innovation.

C. MIS is not a valuable tool that leverages talent.

D. MIS is a valuable tool that can leverage the talents of people who know how to use and manage it effectively.

215. What is the name of a company’s internal computer department?

A. Management Information Systems (MIS)

B. Information Systems (IS)

C. Information Technology (IT)

D. All of these are correct.

216. Which four elements are included in systems thinking?

A. output, process, feedback, and accounting

B. process, output, operations, and accounting

C. input, process, output, and feedback

D. input, output, sales, and feedback

217. MIS is a business function, like accounting or sales, which moves information about people, products, and processes across the company to facilitate decision making and problem solving. What does MIS stands for?

A. Management Information Strategy

B. Management Intelligence System

C. Management Information System

D. Management Information Strategist

218. The challenge that companies today sometimes have is that they are departmentalized and act independently of each other. Which of the following provides solutions that can help a company work interdepartmentally to make decisions and solve problems?

A. marketing

B. human resource data

C. management information systems

D. resource information systems

219. Shelby Black runs a very successful hair salon in downtown Los Angeles. One of Shelby’s tasks is to input positive and negative customer reviews into her computer system. What type of information is Shelby gathering?

A. feedback

B. processing

C. output management

D. sales processing

220. Who is responsible for collecting, maintaining, and distributing company knowledge?

A. Chief Knowledge Officer (CKO)

B. Chief Privacy Officer (CPO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

221. Who is responsible for ensuring the ethical and legal use of information within a company?

A. Chief Knowledge Officer (CKO)

B. Chief Privacy Officer (CPO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

222. Who is responsible for ensuring the speed, accuracy, availability, and reliability of the management information systems within a company?

A. Chief Knowledge Officer (CKO)

B. Chief Privacy Officer (CPO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

223. Who is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives?

A. Chief Knowledge Officer (CKO)

B. Chief Privacy Officer (CPO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

224. Who is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks by hackers and viruses?

A. Chief Knowledge Officer (CKO)

B. Chief Security Office (CSO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

225. Trina works for Johnson Electric as a corporate lawyer, and part of her duties are to ensure the ethical and legal use of information within the company. Which of the following represents Trina’s role at Johnson Electric?

A. Chief Knowledge Officer (CKO)

B. Chief Privacy Officer (CPO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

226. Susan is an executive at Equity Title where she is responsible for collecting, maintaining and distributing knowledge for the company. What is Susan’s role at Equity Title?

A. Chief Knowledge Officer (CKO)

B. Chief Technology Officer (CTO)

C. Chief Information Officer (CIO)

D. Chief Security Officer (CSO)

227. What is the primary responsibility of the CTO?

A. overseeing all uses of MIS

B. ensuring the security of business systems

C. ensuring speed, accuracy, and reliability for MIS

D. collecting and distributing company information

228. Jeremy is an executive for Green Web Designs, where his primary role is to ensure the security of business systems and develop strategies to protect the company from online viruses and hackers. What is Jeremy’s role within the company?

A. Chief Executive Officer (CEO)

B. Chief Security Officer (CSO)

C. Chief Procurement Officer (CPO)

D. Chief Technology Officer (CTO)

229. Which role within a company is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives?

A. Chief knowledge officer (CKO)

B. Chief privacy officer (CPO)

C. Chief information officer (CIO)

D. Chief security officer (CSO)

230. A business strategy achieves a specific set of goals, including\_\_\_\_\_\_\_\_\_\_.

A. developing new products or services, and attracting new competition

B. increasing costs, and attracting new competition

C. attracting new customers, and developing new products or services

D. All of these are correct.

231. What is a person or group that has an interest or concern in an organization?

A. stakeholder

B. business strategy

C. supplier

D. partner

232. Which group of stakeholders' primary interests include reliable contracts, ethical materials handling, and responsible production?

A. partners/suppliers

B. shareholders/investors

C. community

D. government

233. Which group of stakeholder's primary interests include adhering to regulations/laws, increasing employment, and ethical taxation reporting?

A. partners/suppliers

B. shareholders/investors

C. community

D. government

234. Which group of stakeholder's primary interests include maximizing profits, growing market share, and high return on investment?

A. partners/suppliers

B. shareholders/investors

C. community

D. government

235. Which group of stakeholders' primary interests include exceptional customer service, high-quality products, and ethical dealings?

A. partners/suppliers

B. shareholders/investors

C. community

D. customers

236. Which group of stakeholders' primary interests include fair compensation, job security, and ethical conduct/treatment?

A. employees

B. shareholders/investors

C. community

D. customers

237. A \_\_\_\_\_\_\_\_\_\_ advantage features a product or service on which customers place a greater value than they do on similar offerings from competitors.

A. competitive

B. competitor

C. power

D. first mover

238. Which group of stakeholders' primary interests include professional associations, ethical recycling, and increasing employment?

A. employees

B. shareholders/investors

C. community

D. customers

239. Identifying competitive advantages can be difficult and explains why they are typically \_\_\_\_\_\_\_.

A. temporary

B. satisfactory

C. terminated

D. unsuccessful

240. Updating business strategies is a continuous undertaking as internal and external environments \_\_\_\_\_\_\_\_.

A. become less competitive

B. remain stagnant

C. rapidly change

D. become more consistent

241. Which of the following represents a reason why competitive advantages are typically temporary?

A. The competitor will hire away your key employees.

B. The competitor quickly seeks ways to duplicate your business operations.

C. The competitor will purchase new technology.

D. All of these are correct.

242. What is a competitive advantage?

A. a product that an organization’s customers place a lesser value on than similar offerings from a competitor

B. a feature of a product or service on which customers place a lesser value than they do on similar offerings from a supplier

C. a service that an organization’s customers place a lesser value on than similar offerings from a supplier

D. a feature of a product or service on which customers place a greater value than they do on similar offerings from competitors

243. Which of the following is *not* a typical way that a company would duplicate a competitive advantage?

A. acquiring the new technology

B. copying the business operations

C. hiring away key employees

D. carrying large product inventories

244. When a company is the first to market with a competitive advantage, this is called a first-mover advantage. All of the following companies were first-movers except \_\_\_\_\_\_\_\_\_\_\_\_.

A. FedEx – online self-service software

B. Apple – iPad

C. Apple – iPod

D. Microsoft – Bing Search Engine

245. Which of the following is a tool a manager can use to analyze competitive intelligence and identify competitive advantages?

A. the three generic strategies

B. the threat of substitute buyer power

C. differentiated costs

D. supplier loyalty

246. What is a SWOT analysis?

A. evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies

B. analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry

C. views a firm as a series of business processes, each of which adds value to the product or service

D. generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

247. What is included in a SWOT analysis?

A. strengths, weaknesses, organizations, and technology

B. strengths, weaknesses, opportunities, and threats

C. success, willingness, opportunities, and technology

D. success, weaknesses, organizations, and threats

248. Which of the following statements is correct when considering a SWOT analysis?

A. Strengths and weaknesses originate inside an organization.

B. Opportunities and threats originate inside an organization.

C. Strengths and threats originate inside an organization.

D. Opportunities and weaknesses originate outside an organization.

249. Gina works for Aquarium Retail Services selling high-end saltwater fish and tank supplies. Aquarium Retail Services is the current market leader in Gina’s city. Gina has recently been approached by Deep Blue Incorporated with an opportunity to run its corporate nationwide marketing and sales division. Gina decides to jump at the opportunity! Deep Blue is attempting to gain a competitive \_\_\_\_\_\_\_\_ by stealing its competitor’s key employees.

A. power

B. entry barrier

C. advantage

D. loyalty

250. The banking industry has implemented several competitive advantages including ATMs, online bill pay services, and electronic statements. Of course, these competitive advantages were quickly duplicated by any competitor that wanted to remain in the banking industry. These were all examples of which competitive advantage?

A. acquiring new technology products and services

B. hiring new employees

C. reducing expenses

D. gaining invaluable feedback from customers

251. Which of the following statements is correct when considering a SWOT analysis?

A. strengths and weaknesses originate outside an organization.

B. opportunities and threats originate outside an organization.

C. strengths and threats originate inside an organization.

D. opportunities and weaknesses originate outside an organization.

252. Which of the following are included as potential internal strengths in a SWOT analysis that are helpful to an organization?

A. core competencies, market leaders, cost advantages, excellent management

B. lack of strategic direction, obsolete technologies, lack of managerial talent, outdated product line

C. expanded product line, increase in demand, new markets, new regulations

D. new entrants, substitute products, shrinking markets, costly regulatory, requirements

253. Which of the following are included as potential internal weaknesses in a SWOT analysis that are harmful to an organization?

A. core competencies, market leaders, cost advantages, excellent management

B. lack of strategic direction, obsolete technologies, lack of managerial talent, outdated product line

C. expanded product line, increase in demand, new markets, new regulations

D. new entrants, substitute products, shrinking markets, costly regulatory, requirements

254. Which of the following are included as potential external opportunities in a SWOT analysis that are helpful to an organization?

A. core competencies, market leaders, cost advantages, excellent management

B. lack of strategic direction, obsolete technologies, lack of managerial talent, outdated, product line

C. expanded product line, increase in demand, new markets, new regulations

D. new entrants, substitute products, shrinking markets, costly regulatory, requirements

255. Which of the following are included as potential external weaknesses in a SWOT analysis that are harmful to an organization?

A. core competencies, market leaders, cost advantages, excellent management

B. lack of strategic direction, obsolete technologies, lack of managerial talent, outdated, product line

C. expanded product line, increase in demand, new markets, new regulations

D. new entrants, substitute products, shrinking markets, costly regulatory requirements

256. Where would you categorize strengths in a SWOT analysis?

A. internal, helpful

B. internal, harmful

C. external, helpful

D. external, harmful

257. Where would you categorize weaknesses in a SWOT analysis?

A. internal, helpful

B. internal, harmful

C. external, helpful

D. external, harmful

258. Where would you categorize opportunities in a SWOT analysis?

A. internal, helpful

B. internal, harmful

C. external, helpful

D. external, harmful

259. Where would you categorize threats in a SWOT analysis?

A. internal, helpful

B. internal, harmful

C. external, helpful

D. external, harmful

260. All of the following are common tools used in industry to analyze and develop competitive advantages, except \_\_\_\_\_\_\_\_\_.

A. the Five Forces Model

B. the three generic strategies

C. the competitive analysis model

D. value chain analysis

261. The process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed is the definition of \_\_\_\_\_\_\_\_\_\_\_.

A. feedback

B. information

C. competitive intelligence

D. data

262. Steve Jobs and Apple created a big advantage in the technology industry with the introduction of the iPod, iPhone, and iPad. What are these all examples of?

A. competitive advantage

B. first-mover advantage

C. All of these are correct.

D. None of these are correct.

263. Which of the following evaluates a project's position?

A. SWOT Analysis

B. The Five Forces Model

C. Value Chain Analysis

D. Three Generic Strategies

264. What evaluates industry attractiveness?

A. SWOT Analysis

B. The Five Forces Model

C. Value Chain Analysis

D. Three Generic Strategies

265. What is Porter's Five Forces Model?

A. evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies

B. analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry

C. views a firm as a series of business processes, each of which adds value to the product or service

D. generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

266. Paula is the owner and operator of a high-end online custom clothing company. Paula has never heard of Porter’s Five Forces model and she wants to understand why she would perform an analysis using it. If you were tasked with explaining Porter’s Five Forces model to Paula, what would be the primary reason she would want to use this type of analysis?

A. to help Paula choose a clothing business focus

B. to help Paula evaluate the attractiveness of the clothing industry

C. to help Paula evaluate and execute business goals

D. All of these are correct.

267. Michael Porter defined the Five Forces Model and the potential pressures that can hurt sales. Which of the following is not one of the potential pressures that can hurt sales?

A. Suppliers can drive down profits by charging more for supplies.

B. New market entrants can steal potential investment capital.

C. Substitute products can steal customers.

D. Competition can steal customers.

268. Kevin is an incoming freshman at your college. Kevin is frustrated by the cost of books, tuition, and expenses and he also needs to purchase a rather expensive laptop. In an effort to save money, Kevin organizes a Facebook group with other college students who need to purchase laptops. Soon, Kevin’s Facebook group has close to 100,000 students. Kevin decides to collectively approach different computer companies to see if his group qualifies for a special discount. What business strategy is Kevin using to purchase laptops?

A. collecting business intelligence

B. decreasing entry barriers

C. purchasing a substitute product

D. increasing buyer power

269. What are costs that make customers reluctant to switch to another product or service?

A. support activities

B. switching costs

C. loyalty rewards

D. value chain activities

270. Callie owns and operates one of the most successful local coffee shops in Denver called The Edgewater Café. Each time a customer purchases their 100th cup of coffee at The Edgewater Café, they receive a free pound of coffee of their choice. What is Callie attempting to create with her unique "Free Pound of Coffee" marketing program?

A. reducing buyer power with a loyalty program

B. increasing buyer power with a loyalty program

C. decreasing supplier power with a differentiated product

D. creating a substitute product

271. What includes all parties involved, directly or indirectly, in obtaining raw materials or a product?

A. support chain

B. supply chain

C. system chain

D. supply choice

272. Which of the following represents a company in a supply chain?

A. customer and competitor

B. supplier and competitor

C. knowledge worker and supplier

D. supplier and customer

273. In the center of Porter’s Five Forces model is competition. Which of the following represents the four outer boxes?

A. buyer power, systems power, threat of false entrants, and threat of substitute products or services

B. buyer power, systems power, threat of new entrants, and threat of substitute products or services

C. buyer power, supplier power, threat of new entrants, and threat of substitute products or services

D. business power, supplier power, threat of new entrants, and threat of powerful services

274. Shawn is on the executive board for ABC pharmaceuticals. The company produces the number one selling cancer-fighting drug on the market. Due to its incredible success, ABC pharmaceuticals has decided to increase the cost of the drug from $8 a pill to $15 a pill. Which force is ABC pharmaceutical using to increase its drug price?

A. supplier power

B. buyer power

C. threat of false entrants

D. business power

275. What is one of the most common ways a company can decrease supplier power?

A. charge lower prices

B. charge higher prices

C. use MIS to find and create alternative products

D. Companies cannot impact supplier power.

276. If a supplier has high power, what can it do to influence its industry?

A. charge higher prices

B. shift costs to industry participants

C. limit quality or services

D. All of these are correct.

277. The Victory Wireless store in Denver is currently offering a fabulous marketing strategy for potential new iPhone customers. Victory Wireless offers customers who purchase an iPhone with a 2-year subscription a free Otter phone case, car charger, earphones, and speakers. In terms of Porter’s Five Forces, what is Victory Wireless attempting to achieve with this marketing strategy?

A. increase buyer power

B. increase substitute products

C. decrease supplier power

D. decrease buyer power

278. Your boss has asked you to analyze the music industry using Porter’s five forces model. Which of the following represents supplier power in the music industry?

A. established record labels like EMI, Sony, Universal

B. Walmart, Target, iTunes

C. game systems like Wii, social networks like Facebook

D. Taylor Swift, Beyoncé, The Beatles, The Stones

279. Your boss has asked you to analyze the music industry using Porter’s five forces model. Which of the following represents buyer power in the music industry?

A. established record labels like EMI, Sony, Universal

B. Walmart, Target, iTunes

C. independent record labels

D. game systems like Wii, social networks like Facebook

280. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents supplier power in the soft drink industry?

A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

C. Zevia Natural Diet Soda begins selling directly over the Internet.

D. vitamin water, fruit juice, coffee

281. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents buyer power in the soft drink industry?

A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

C. Zevia Natural Diet Soda begins selling directly over the Internet.

D. Coke and Pepsi submit bids to the owner of a football stadium for the exclusive sale of their products during games.

282. What is buyer power?

A. the ability of buyers to affect the price they must pay for an item

B. the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

C. high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

D. high when there are many alternatives to a product or service and low when there are few alternatives from which to choose

283. What is supplier power?

A. the ability of buyers to affect the price they must pay for an item

B. the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

C. high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

D. high when there are many alternatives to a product or service and low when there are few alternatives from which to choose

284. What is threat of substitute products or services?

A. the ability of buyers to affect the price they must pay for an item

B. the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

C. high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

D. high when there are many alternatives to a product or service and low when there are few alternatives from which to choose

285. What is threat of new entrants?

A. the ability of buyers to affect the price they must pay for an item

B. the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

C. high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

D. high when there are many alternatives to a product or service and low when there are few alternatives from which to choose

286. What is rivalry among existing competitors?

A. the ability of buyers to affect the price they must pay for an item

B. the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

C. high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

D. high when competition is fierce in a market and low when competitors are more complacent

287. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents rivalry in the soft drink industry?

A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

C. Zevia Natural Diet Soda begins selling directly over the Internet.

D. Coke and Pepsi submit bids to the owner of a football stadium for the exclusive sale of their products during games.

288. Your boss has asked you to analyze the music industry using Porter’s five forces model. Which of the following represents the threat of substitute products or services in the music industry?

A. established record labels like EMI, Sony, Universal

B. independent record labels

C. game systems like Wii, social networks like Facebook

D. Taylor Swift, Beyoncé, The Beatles, The Stones

289. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents a threat of a new entrant in the soft drink industry?

A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

C. Zevia Natural Diet Soda begins selling directly over the Internet.

D. vitamin water, fruit juice, coffee

290. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents a substitute product in the soft drink industry?

A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

C. Zevia Natural Diet Soda begins selling directly over the Internet.

D. vitamin water, fruit juice, coffee

291. How can a company reduce the threat of substitute products or services?

A. market the product to less than ten customers

B. ignore competitive forces

C. offer additional value through wider product distribution

D. offer less value, making the product far more generic and similar to the competition

292. What is a feature of a product or service that customers have come to expect and entering competitors must offer the same if they want to survive?

A. significant barrier

B. entry barrier

C. product differentiation

D. entry chain

293. Which of the following represents a typical supply chain?

A. company – customers – suppliers

B. company – suppliers – customers

C. suppliers – company – customers

D. suppliers – customers – company

294. Which one of Porter’s five forces is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market?

A. Threat of new entrants

B. Threat of substitute products or services

C. Threat of buyer power

D. Supply chain competition

295. Amazon.com uses a customer profiling system whenever a customer visits its website. Using this system, Amazon can offer products tailored to that particular customer’s profile and buying pattern. What is Amazon using to achieve this competitive advantage?

A. rivalry

B. buyer power

C. product differentiation

D. substitute product

296. Your boss has asked you to analyze the airline industry using Porter’s three generic strategies. Which of the following companies are using a differentiation strategy?

A. Southwest, Horizon, Frontier, JetBlue

B. British Airways, Singapore Airlines, Virgin Atlantic

C. Sky Taxi – a rent by the hour personal plane service

D. All of these are correct.

297. Imagine you are creating a new product to sell in an up-and-coming market. Which of the following statements indicates that it would be easy for you as the new entrant to compete in this market?

A. The threat of new entrants force is high in the up-and-coming market.

B. The threat of new entrants force is low in the up-and-coming market.

C. The threat of new entrants force is impossible to define in the up-and-coming market.

D. All of these are correct, depending on the time of year.

298. Imagine you are creating a new product to sell in an up-and-coming market. Which of the following statements indicates that it would be difficult for you to enter this new market?

A. The threat of new entrants force is high in the up-and-coming market.

B. The threat of new entrants force is low in the up-and-coming market.

C. The threat of new entrants force is high during the summer months in the up-and-coming market.

D. All of these are correct, depending on the time of year.

299. Which of the following offers an example where Porter’s five forces are mostly strong and competition is high?

A. a dog walking business

B. a ski resort

C. a professional hockey team

D. All of these are correct.

300. Which of the following offers an example where Porter’s five forces are mostly weak and competition is low?

A. an international hotel chain purchasing milk

B. a coffee shop

C. a single consumer purchasing milk

D. a dog walking business

301. Some industries’ competition is much more intense than others. Retail grocery stores such as Kroger, Safeway, and Albertson’s in the United States experience fierce competition and offer similar marketing campaigns to compete. What is this an example of in terms of Porter’s Five Forces?

A. rivalry among new entrants

B. rivalry among existing competitors

C. threat of substitute products or services

D. buyer power

302. Which strategy below helps an organization choose its business focus?

A. SWOT Analysis

B. The Five Forces Model

C. Value Chain Analysis

D. Three Generic Strategies

303. John is the CEO of Tech World, a retail store that sells computers, monitors, cameras, televisions and many other electronic products. John and his executive team are meeting to brainstorm new ideas on how to grow the business. One idea is to mimic a competitor’s product that is attempting to sell a new product in a different industry. After performing a Porter’s Five Forces analysis, John determines that all of the forces are high in this new industry. What should John do?

A. explode into the market with an overflow of the product

B. contemplate other products to introduce at the same time in this new market

C. compare the competitor’s prices and offer his product lower in this new market

D. not introduce the product because all five forces are strong and this would be a highly risky business strategy

304. What are Porter’s three generic strategies?

A. evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies

B. analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry

C. views a firm as a series of business processes, each of which adds value to the product or service

D. generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

305. Broad differentiation, broad cost leadership, and \_\_\_\_\_\_\_\_\_ create the three generic strategies identified by Porter.

A. narrow market leadership

B. high cost versus low cost

C. focused strategy

D. None of these are correct.

306. Jennifer is writing a paper and she must determine which of Porter’s three generic strategies The Museum Company has implemented. Jennifer finds out that The Museum Company offers specialty products found only in museums around the world to affluent customers. What would Jennifer determine The Museum Company is using as its generic strategy?

A. broad market, low cost

B. narrow market, high cost

C. broad market, high cost

D. narrow market, low cost

307. Your boss has asked you to analyze the airline industry using Porter’s three generic strategies. Which of the following companies are using a focused strategy?

A. Southwest, Horizon, Frontier, JetBlue

B. British Airways, Singapore Airlines, Virgin Atlantic

C. Sky Taxi – a rent by the hour personal plane service

D. All of these are correct.

308. According to Porter, companies that wish to dominate broad markets should operate using a \_\_\_\_\_\_\_\_ strategy.

A. cost leadership with a low cost

B. differentiation with a low cost

C. cost leadership with a high cost

D. All of these are correct.

309. Which of the following demonstrates a company that has implemented a low cost, broad market strategy?

A. Neiman Marcus

B. Payless Shoes

C. The Sharper Image

D. Walmart

310. If a business is following a focused strategy, then its competitive scope is \_\_\_\_\_\_\_\_.

A. broad market

B. narrow market

C. broad range products

D. broad range of services

311. Porter identified three generic strategies that a business could follow after identifying a market it wanted to enter. Which of the following is not included as one of Porter’s three generic strategies?

A. broad differentiation

B. supplier cost differentiation

C. focused strategy

D. broad cost leadership

312. When analyzing the book store industry, some of today’s businesses compete with different business strategies and cost strategies. Which of the following is using a broad market competitive scope along with a low cost strategy?

A. Amazon.com

B. any local independent books store that specializes in antique books

C. Barnes and Noble

D. your college bookstore

313. Which of the below is similar to focused strategy versus broad strategy?

A. large market versus leadership

B. large market versus uniqueness

C. niche market versus large market

D. niche market versus generic

314. When analyzing Porter's three generic strategies for entering a market, if you have a focused strategy, what market should you target?

A. a niche market

B. a broad market

C. neither niche or broad markets

D. both niche and broad markets

315. Which of the following offers an example of a company operating in a narrow focused-market operating as the low-cost provider?

A. Walmart.

B. Tiffany and Co.

C. Neiman Marcus

D. Payless Shoes

316. Your boss has asked you to analyze the airline industry using Porter’s three generic strategies. Which of the following companies are using a cost leadership strategy?

A. Southwest, Horizon, Frontier, JetBlue

B. British Airways, Singapore Airlines, Virgin Atlantic

C. Sky Taxi – a rent by the hour personal plane service

D. All of these are correct.

317. When applying Porter’s three generic strategies, Tiffany and Co. has a competitive scope and cost strategy that is \_\_\_\_\_\_\_\_\_\_.

A. broad market – high cost strategy

B. narrow market – low cost strategy

C. narrow market – high cost strategy

D. broad market – low cost strategy

318. What executes business strategy?

A. SWOT Analysis

B. The Five Forces Model

C. Value Chain Analysis

D. Three Generic Strategies

319. What is a value chain analysis?

A. evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies

B. analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry

C. views a firm as a series of business processes, each of which adds value to the product or service

D. generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

320. When reviewing Porter’s value chain analysis, which of the following provides customer support after the sale of goods and services?

A. inbound logistics

B. outbound logistics

C. operations

D. service

321. Which of the following represents procurement as part of the support value activities in a value chain analysis?

A. purchases inputs such as raw materials, resources, equipment and supplies

B. applies MIS to processes to add value

C. distributes goods and services to customers

D. promotes, prices, and sells products to customers

322. What includes support value activities and primary value activities and is used to determine how to create the greatest possible value for customers?

A. supplier power

B. operations management

C. Porter’s Five Forces Model

D. value chain analysis

323. What is a standardized set of activities that accomplishes a specific task?

A. business strategy

B. business outcome

C. business process

D. knowledge process

324. Which of the following analyzes a company’s business processes and is useful for determining how to create the greatest possible value for customers?

A. product analysis

B. primary supplier power

C. value chain analysis

D. buyer chain analysis

325. The goal of value chain analysis is to identify processes in which the firm can add value for the customer and create a competitive advantage for itself, with a \_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_.

A. focused strategy; product differentiation

B. focused strategy; cost advantage

C. cost advantage; primary value activities

D. cost advantage; product differentiation

326. What are the two main categories in a value chain analysis?

A. primary value activities and secondary value activities

B. primary value activities and support value activities

C. primary value activities and strengthening value activities

D. None of these are correct.

327. Which of the following is *not* considered a category within the primary value activities in a value chain analysis?

A. inbound logistics

B. firm infrastructure

C. operations

D. service

328. Which of the following is *not* considered a category within the support value activities in a value chain analysis?

A. technology development

B. outbound logistics

C. human resource management

D. firm infrastructure

329. What is the support value activity that provides employees with training, hiring, and compensation?

A. procurement

B. operations resource management

C. human resource management

D. firm infrastructure

330. Sandy works as the Chief Knowledge Officer for Bend Lumbar Company. She has been given the responsibility to create a product or service that will bring an added value to its customers to increase the company’s revenue. Sandy determines that the best value she can add is by creating a service that offers free next day shipping on any order over $50. Where in the value chain is Sandy adding value?

A. the primary value activity outbound logistics

B. the primary value activity inbound logistics

C. the primary value activity marketing and sales

D. the primary value activity operations

331. When evaluating the value chain, all of the following are included in the primary value activities *except* \_\_\_\_\_\_\_\_\_.

A. inbound activities

B. operations

C. service

D. MIS development

332. When evaluating the value chain, which of the following is included in the support value activities?

A. inbound activities

B. marketing and sales

C. firm infrastructure

D. finance and sales

333. Which of the following decisions does a firm need to make as soon as it has identified the activities from the value chain that are bringing the highest added value to their customers?

A. target high value-adding activities to further enhance their value

B. target low value-adding activities to increase their value

C. perform some combination of the two

D. All of these are correct.

334. MIS can add value to both primary activities and support activities in the value chain. Which of the following is NOT an example of a company adding value by the use of MIS in a primary activity?

A. Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards program, and other employee benefit items

B. a system for the sales and marketing departments to track specific sales targets and follow up processes

C. an easy electronic survey, similar to the survey monkey, to be sent to the customer right after a service was completed

D. Royal Crest Dairy using their custom order and delivery system through an easily accessible Web portal for the customer to track delivery status

335. MIS can add value to both primary and support activities within a business. Which of the following is *not* an example of a company adding value by the use of MIS in a support activity?

A. Netflix creating a business strategy for the video rental market that delivers videos via the mail

B. the human resources department creates a tracking system to efficiently reward employees based on their performance

C. Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards program, and other employee benefit items

D. the University of Forks creates a program to automatically order office supplies such as pens and pads of paper for its employees

336. Describe the information age and the differences between data, information, business intelligence, and knowledge.

337. Identify the different departments in a company and why they must work together to achieve success.

338. Explain systems thinking and how management information systems enable business communications.

339. Explain why competitive advantages are temporary.

340. Describe Porter’s Five Forces Model and explain each of the five forces.

341. Compare Porter’s three generic strategies.

342. Demonstrate how a company can add value by using Porter’s value chain analysis.

**Chapter 01 Test Bank Key**

1. The Internet of Things (IoT) is a world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention.

**TRUE**

**Feedback:** The Internet of Things (IoT) is a world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

2. Machine to machine (M2M) refers to devices that connect directly to other devices.

**TRUE**

**Feedback:** Machine to machine (M2M) refers to devices that connect directly to other devices.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

3. The Internet of Things refers to devices that connect directly to other devices.

**FALSE**

**Feedback:** Machine to machine (M2M) refers to devices that connect directly to other devices.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

4. Machine to machine (M2M) extracts information from data and uses it to predict future trends and identify behavioral patterns.

**FALSE**

**Feedback:** Predictive analytics extracts information from data and uses it to predict future trends and identify behavioral patterns.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

5. Companies today are successful when they combine the power of the information age with traditional business methods.

**TRUE**

**Feedback:** Companies today are successful when they combine the power of the information age with traditional business methods.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

6. The information age is the present time, during which infinite quantities of facts are widely available to anyone who can use a computer.

**TRUE**

**Feedback:** The information age is the present time, during which infinite quantities of facts are widely available to anyone who can use a computer.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

7. A fact is the confirmation or validation of an event or object. In the past, people primarily learned facts from books.

**TRUE**

**Feedback:** A fact is the confirmation or validation of an event or object. In the past, people primarily learned facts from books.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

8. Zappos is not a technology company; its primary business focus is to sell books.

**FALSE**

**Feedback:** Zappos is not a technology company; its primary business focus is to sell shoes, bags, clothing, and accessories.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

9. Order date, amount sold, and customer number are all forms of data.

**TRUE**

**Feedback:** Order date, amount sold, and customer number are all forms of data.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

10. Choosing not to fire a sales representative who is underperforming, knowing that person is experiencing family problems, is a form of knowledge.

**TRUE**

**Feedback:** Choosing not to fire a sales representative who is underperforming, knowing that person is experiencing family problems, is a form of knowledge.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

11. Top managers use social intelligence to define the future of the business, analyzing markets, industries, and economies to determine the strategic direction the company must follow to remain unprofitable.

**FALSE**

**Feedback:** Top managers use business intelligence, not social intelligence, to remain profitable, not unprofitable.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

12. Business intelligence is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.

**TRUE**

**Feedback:** This is the definition of business intelligence.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

13. A variable is a business intelligence characteristic that stands for a value that cannot change over time.

**FALSE**

**Feedback:** A variable is a data characteristic that can change over time.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

14. People using the same information can make different decisions depending on how they interpret or analyze the information.

**TRUE**

**Feedback:** Information is data converted into a meaningful and useful context. The truth about information is that its value is only as good as the people who use it.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

15. Knowledge workers are individuals valued for their ability to mitigate risk and implement critical human resource rules and regulations.

**FALSE**

**Feedback:** Knowledge workers are individuals valued for their ability to interpret and analyze information.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

16. Predictive analytics extracts information from data and uses it to predict future trends and identify behavioral patterns.

**TRUE**

**Feedback:** Predictive analytics extracts information from data and uses it to predict future trends and identify behavioral patterns.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

17. Top managers use predictive analytics to define the future of the business, analyzing markets, industries, and economies to determine the strategic direction the company must follow to remain profitable.

**TRUE**

**Feedback:** Top managers use predictive analytics to define the future of the business, analyzing markets, industries, and economies to determine the strategic direction the company must follow to remain profitable.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

18. Predictive analytics is a world where interconnected, Internet-enabled devices or “things” can collect and share data without human intervention.

**FALSE**

**Feedback:** The Internet of Things (IoT) is a world where interconnected, Internet-enabled devices or “things” can collect and share data without human intervention.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

19. Using only data and information to make decisions and solve problems is the key to finding success in business. These are also the only core drivers of the information age and the building blocks of business systems.

**FALSE**

**Feedback:** Using data, information, business intelligence, and knowledge to make decisions and solve problems is the key to finding success in business. These are also the core drivers of the information age and the building blocks of business systems.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

20. The finance department performs the function of selling goods or services.

**FALSE**

**Feedback:** The sales department performs the function of selling goods or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

21. The marketing department supports sales by planning, pricing, and promoting goods or services.

**TRUE**

**Feedback:** The marketing department supports sales by planning, pricing, and promoting goods or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

22. The operations management department manages the process of converting or transforming resources into goods or services.

**TRUE**

**Feedback:** The operations management department manages the process of converting or transforming resources into goods or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

23. The accounting and finance departments primarily use monetary data.

**TRUE**

**Feedback:** The accounting and finance departments primarily use monetary data.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

24. The sales and marketing departments primarily use monetary data.

**FALSE**

**Feedback:** The sales and marketing departments primarily use transactional data.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

25. For an organization to succeed, every department or functional area must work independently to be most effective.

**FALSE**

**Feedback:** For an organization to succeed, every department or functional area must work together or interdependently sharing common information and not be a "silo."

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

26. Successful companies today operate cross-functionally, integrating the operations of all departments.

**TRUE**

**Feedback:** Successful companies today operate cross-functionally, integrating the operations of all departments.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

27. The business decisions made by the marketing department include promotional data, sales data, and advertising data.

**TRUE**

**Feedback:** The business decisions the marketing department makes include promotion data, sales data, and advertising data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

28. The business decisions made by the human resources department include employee data, promotion data, and vacation data.

**TRUE**

**Feedback:** The business decisions the human resources department makes include employee data, promotion data, and vacation data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

29. The business decisions made by the finance department include investment data, monetary data, and reporting data.

**TRUE**

**Feedback:** The business decisions the finance department makes include investment data, monetary data, and reporting data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

30. The business decisions made by the accounting department include transactional data, purchasing data, payroll data, and tax data.

**TRUE**

**Feedback:** The business decisions the accounting department makes include transactional data, purchasing data, payroll data, and tax data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

31. The business decisions made by the sales department include potential customer data, sales report data, commission data, and customer support data.

**TRUE**

**Feedback:** The business decisions the sales department makes include potential customer data, sales report data, commission data, and customer support data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

32. The business decisions made by the operations management department include manufacturing data, distribution data, and production data.

**TRUE**

**Feedback:** The business decisions the operations management department makes include manufacturing data, distribution data, and production data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

33. The business decisions made by the finance department include promotion data, sales data, and advertising data.

**FALSE**

**Feedback:** The business decisions the marketing department makes include promotion data, sales data, and advertising data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

34. The business decisions made by the accounting department include employee data, promotion data, and vacation data.

**FALSE**

**Feedback:** The business decisions the human resources department makes include employee data, promotion data, and vacation data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

35. The business decisions made by the human resources department include investment data, monetary data, and reporting data.

**FALSE**

**Feedback:** The business decisions the finance department makes include investment data, monetary data, and reporting data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

36. The business decisions made by the marketing department include transactional data, purchasing data, payroll data, and tax data.

**FALSE**

**Feedback:** The business decisions the accounting department makes include transactional data, purchasing data, payroll data, and tax data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

37. The business decisions made by the human resources department include potential customer data, sales report data, commission data, and customer support data.

**FALSE**

**Feedback:** The business decisions the sales department makes include potential customer data, sales report data, commission data, and customer support data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

38. The business decisions made by the accounting department include manufacturing data, distribution data, and production data.

**FALSE**

**Feedback:** The business decisions the operations management department makes include manufacturing data, distribution data, and production data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

39. Waiting tables, teaching, and cutting hair are all examples of services that people pay for to fulfill a need.

**TRUE**

**Feedback:** Waiting tables, teaching, and cutting hair are all examples of services that people pay for to fulfill a need.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

40. An overview of systems thinking includes input, process, output, and finances.

**FALSE**

**Feedback:** An overview of systems thinking includes input, process, output, and feedback.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

41. MIS is a tool that is most valuable when it leverages the talents of people who know how to use and manage it effectively.

**TRUE**

**Feedback:** MIS is a tool that is most valuable when it leverages the talents of people who know how to use and manage it effectively.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

42. The chief technology officer is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks from hackers and viruses.

**FALSE**

**Feedback:** The chief technology officer is responsible for ensuring the speed, accuracy, availability, and reliability for MIS.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

43. The chief security officer is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks from hackers and viruses.

**TRUE**

**Feedback:** The chief security officer is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks from hackers and viruses.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

44. The chief technology officer is responsible for ensuring the speed, accuracy, availability, and reliability for MIS.

**TRUE**

**Feedback:** The chief technology officer is responsible for ensuring the speed, accuracy, availability, and reliability for MIS.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

45. The chief privacy officer is responsible for ensuring the ethical and legal use of information within a company.

**TRUE**

**Feedback:** The chief privacy officer is responsible for ensuring the ethical and legal use of information within a company.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

46. The chief knowledge officer is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives.

**FALSE**

**Feedback:** The chief information officer is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

47. The chief knowledge officer is responsible for collecting, maintaining, and distributing company knowledge.

**TRUE**

**Feedback:** The chief knowledge officer is responsible for collecting, maintaining, and distributing company knowledge.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

48. Goods are material items or products that customers will buy to satisfy a want or need.

**TRUE**

**Feedback:** Goods are material items or products that customers will buy to satisfy a want or need.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

49. Cars, groceries, and clothing are all examples of goods.

**TRUE**

**Feedback:** Cars, groceries, and clothing are all examples of goods.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

50. Production is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.

**TRUE**

**Feedback:** Production is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

51. Productivity is the rate at which goods and services are produced based upon total output given total inputs.

**TRUE**

**Feedback:** Productivity is the rate at which goods and services are produced based upon total output given total inputs.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

52. Lettuce, tomatoes, patty, bun, and ketchup are included in the output of making a hamburger.

**FALSE**

**Feedback:** Lettuce, tomatoes, patty, bun, and ketchup are included as inputs of making a hamburger.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

53. Cooking a patty and putting the ingredients together are included in the process of making a hamburger.

**TRUE**

**Feedback:** Cooking a patty and putting the ingredients together are included in the process of making a hamburger.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

54. Bread, cheese, and butter are included in the process of making a grilled cheese sandwich.

**TRUE**

**Feedback:** Bread, cheese, and butter are included as the inputs of making a grilled cheese sandwich.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

55. A grilled cheese sandwich is considered the final output of a making-a-sandwich process.

**TRUE**

**Feedback:** A grilled cheese sandwich is considered the final output of a making-a-sandwich process.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

56. If a business could produce the same hamburger with less expensive inputs it would probably see a decrease in profits.

**FALSE**

**Feedback:** If a business could produce the same hamburger with less expensive inputs it would probably see an increase in profits.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

57. If a business could produce more hamburgers with the same inputs it would see a rise in productivity and possibly an increase in profits.

**TRUE**

**Feedback:** If a business could produce more hamburgers with the same inputs it would see a rise in productivity and possibly an increase in profits.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

58. To combat business challenges, leaders communicate and execute business strategies, a term deriving from the Greek word *stratus* for army and *ago* for leading.

**TRUE**

**Feedback:** To combat business challenges, leaders communicate and execute business strategies, a term deriving from the Greek word stratus for army and ago for leading.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

59. A stakeholder is a person or group that has an interest or concern in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change.

**TRUE**

**Feedback:** A stakeholder is a person or group that has an interest or concern in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. It is not uncommon to find stakeholders' business strategies have conflicting interests such as investors looking to increase profits by eliminating employee jobs.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

60. It is not uncommon to find stakeholders' business strategies have conflicting interests such as investors looking to increase profits by eliminating employee jobs.

**TRUE**

**Feedback:** A stakeholder is a person or group that has an interest or concern in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. It is not uncommon to find stakeholders' business strategies have conflicting interests such as investors looking to increase profits by eliminating employee jobs.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

61. A leadership plan that achieves a specific set of goals or objectives is a business strategy.

**TRUE**

**Feedback:** A leadership plan that achieves a specific set of goals or objectives is a business strategy.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

62. Companies update business strategies continuously as internal and external environments change.

**TRUE**

**Feedback:** Companies update business strategies continuously as internal and external environments change.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

63. Competitive advantages provide the same product or service either at a lower price or with additional value that can fetch premium prices.

**TRUE**

**Feedback:** Competitive advantages provide the same product or service either at a lower price or with additional value that can fetch premium prices.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

64. When a company is the first to market with a competitive advantage, it gains a particular benefit known as competitive intelligence.

**FALSE**

**Feedback:** When a company is the first to market with a competitive advantage, it gains a particular benefit known as a first-mover advantage.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

65. Businesses rarely need to update business strategies as the business environment remains relatively stable.

**FALSE**

**Feedback:** Businesses constantly need to update business strategies as the business environment rapidly changes.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

66. Attracting new customers, decreasing costs, and entering new markets are all examples of successful business strategies.

**TRUE**

**Feedback:** Attracting new customers, decreasing costs, and entering new markets are all examples of business strategies.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

67. Decreasing customer loyalty, increasing costs, and decreasing sales are all examples of business strategies.

**FALSE**

**Feedback:** Increasing customer loyalty, decreasing costs, and increasing sales are all examples of business strategies.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

68. A first-mover advantage is the process of gathering information about the competitive environment, including competitors’ plans, activities, and products, to improve a company’s ability to succeed.

**FALSE**

**Feedback:** Competitive intelligence is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a companys' ability to succeed.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

69. Competitive intelligence is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.

**FALSE**

**Feedback:** This is the definition of business intelligence, not competitive intelligence.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

70. FedEx created a first-mover advantage by developing its customer self-service software, which allows people to request parcel pickups, print mailing slips, and track parcels online.

**TRUE**

**Feedback:** FedEx created a first-mover advantage by developing its customer self-service software, which allows people to request parcel pickups, print mailing slips, and track parcels online.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

71. A SWOT analysis evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.

**TRUE**

**Feedback:** A SWOT analysis evaluates an organizations' strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

72. A SWOT analysis evaluates an organization’s strengths, worries, opportunities, and technologies to identify significant influences that work for or against business strategies.

**FALSE**

**Feedback:** A SWOT analysis evaluates an organizations' strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

73. In a SWOT analysis, strengths and weaknesses originate inside an organization, or internally. Opportunities and threats originate outside an organization, or externally, and cannot always be anticipated or controlled.

**TRUE**

**Feedback:** Strengths and weaknesses originate inside an organization, or internally. Opportunities and threats originate outside an organization, or externally, and cannot always be anticipated or controlled.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

74. In a SWOT analysis, potential internal strengths are helpful when they identify all key strengths associated with the competitive advantage including cost advantages, new and/or innovative services, special expertise and/or experience, proven market leader, improved marketing campaigns, and so on.

**TRUE**

**Feedback:** Potential internal strengths are helpful when they identify all key strengths associated with the competitive advantage including cost advantages, new and/or innovative services, special expertise and/or experience, proven market leader, improved marketing campaigns, and so on.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

75. In a SWOT analysis, potential internal weaknesses are harmful when they identify all key areas that require improvement. Weaknesses focus on the absence of certain strengths, including absence of an Internet marketing plan, damaged reputation, problem areas for service, outdated technology, employee issues, and so on.

**TRUE**

**Feedback:** In a SWOT analysis potential internal weaknesses are harmful when they identify all key areas that require improvement. Weaknesses focus on the absence of certain strengths, including absence of an Internet marketing plan, damaged reputation, problem areas for service, outdated technology, employee issues, and so on.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

76. In a SWOT analysis, potential external opportunities are helpful when they identify all significant trends along with how the organization can benefit from each, including new markets, additional customer groups, legal changes, innovative technologies, population changes, competitor issues, and so on.

**TRUE**

**Feedback:** Potential external opportunities are helpful when they identify all significant trends along with how the organization can benefit from each, including new markets, additional customer groups, legal changes, innovative technologies, population changes, competitor issues, and so on.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

77. In a SWOT analysis, potential external threats are harmful when they identify all threats or risks detrimental to your organization, including new market entrants, substitute products, employee turnover, differentiating products, shrinking markets, adverse changes in regulations, economic shifts, and so on.

**TRUE**

**Feedback:** Potential external threats are harmful when they identify all threats or risks detrimental to your organization, including new market entrants, substitute products, employee turnover, differentiating products, shrinking markets, adverse changes in regulations, economic shifts, and so on.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

78. Mark Peterson identified the Porter’s Five Forces Model which analyzes the competitive forces within a business environment.

**FALSE**

**Feedback:** Michael Porter identified the Porters' Five Forces Model which analyzes the competitive forces within a business environment.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

79. Porter's Five Forces Model outlines the process for a sales strategy.

**FALSE**

**Feedback:** Porter's Five Forces Model analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

80. With the Five Forces Model, companies should watch the forces in the market. If the forces are strong, competition generally increases, and if the forces are weak, competition typically decreases.

**TRUE**

**Feedback:** With the Five Forces Model, companies should watch the forces in the market. If the forces are strong, competition generally increases, and if the forces are weak, competition typically decreases.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

81. There are many challenges to changing doctors, including transferring medical records and losing the doctor patient relationship along with the doctor’s knowledge of the patient’s history. Changing doctors provides a great example of switching costs.

**TRUE**

**Feedback:** Switching costs are costs that make customers reluctant to switch to another product or service. Switching costs include financial as well as intangible values.

Difficulty: 3 Hard

Blooms: Apply

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

82. Buyer power is the ability of buyers to affect the price they must pay for an item.

**TRUE**

**Feedback:** Buyer power is the ability of buyers to affect the price they must pay for an item.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

83. Supplier power is one of Porter's five forces and it measures the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services).

**TRUE**

**Feedback:** Supplier power is one of Porter's five forces that measures the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services).

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

84. Polaroid had a unique competitive advantage for many years until it forgot to observe competitive intelligence. The firm went bankrupt when people began taking digital pictures. Polaroid provides a great example of Porter's supplier power.

**FALSE**

**Feedback:** This is an example of Porter's threat of substitute products or services.

Difficulty: 3 Hard

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Blooms: Analyze

Accessibility: Keyboard Navigation

85. The threat of substitute products or services refers to the power of competitors to enter a new market.

**FALSE**

**Feedback:** The threat of substitute products or services refers to the power of customers to purchase alternatives.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

86. Rivalry among existing competitors refers to the ability of buyers to affect the price they must pay for an item.

**FALSE**

**Feedback:** Buyer power is the ability of buyers to affect the price they must pay for an item.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

87. The threat of substitute products or services refers to the power of customers to purchase alternatives.

**TRUE**

**Feedback:** The threat of substitute products or services refers to the power of customers to purchase alternatives.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

88. Product differentiation occurs when a company develops unique differences in its products or services with the intent to influence demand.

**TRUE**

**Feedback:** Product differentiation occurs when a company develops unique differences in its products or services with the intent to influence demand.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

89. Porter has identified three generic business strategies including focused, broad cost leadership, and switching strategy.

**FALSE**

**Feedback:** Porter has identified three generic business strategies: 1) broad cost leadership, 2) broad differentiation, and 3) focused strategy.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

90. According to Porter’s three generic strategies, Walmart is following a business strategy that focuses on broad market and low cost.

**TRUE**

**Feedback:** An example of a business that uses the business strategy broad market and low cost is Walmart.

Difficulty: 3 Hard

Blooms: Apply

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

91. According to Porter it is recommended to adopt only one of the three generic strategies.

**TRUE**

**Feedback:** According to Porter it is recommended to adopt only one of the three generic strategies.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

92. Buyer power is included as one of Porter's three generic strategies.

**FALSE**

**Feedback:** Buyer power is included as one of Porter's five forces.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

93. Tiffany & Company competes in the marketplace by offering high-cost custom jewelry. Tiffany & Company is following a broad market and cost leadership strategy.

**FALSE**

**Feedback:** Tiffany & Company is following a focused market with high cost differentiation strategy.

Difficulty: 3 Hard

Blooms: Analyze

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

94. Value chain analysis views a firm as a series of business processes that each adds value to the product or service.

**TRUE**

**Feedback:** Value chain analysis views a firm as a series of business processes that each adds value to the product or service.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

95. A standardized set of activities that accomplish a specific task is called a supply chain component.

**FALSE**

**Feedback:** A standardized set of activities that accomplish a specific task is called a business process.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

96. The value chain will group a company's activities into two categories: primary value activities and support value activities.

**TRUE**

**Feedback:** The value chain will group a company's activities into two categories: primary value activities and support value activities.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

97. A business process is a standardized set of activities that accomplish a specific task, such as processing a customer's order.

**TRUE**

**Feedback:** A business process is a standardized set of activities that accomplish a specific task, such as processing a customer's order.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

98. A primary value activity is a standardized set of activities that accomplish a specific task, such as processing a customer's order.

**FALSE**

**Feedback:** A business process is a standardized set of activities that accomplish a specific task, such as processing a customer's order.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

99. Inbound logistics and operations are part of the primary value activities.

**TRUE**

**Feedback:** Inbound logistics and operations are part of the primary value activities.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

100. Inbound logistics and operations are part of the support value activities.

**FALSE**

**Feedback:** Inbound logistics and operations are part of the primary value activities.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

101. Firm infrastructure and human resource management are part of the primary value activities.

**FALSE**

**Feedback:** Firm infrastructure and human resource management are part of the support value activities.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

102. Firm infrastructure and human resource management are part of the support value activities.

**TRUE**

**Feedback:** Firm infrastructure and human resource management are part of the support value activities.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

103. Why do students need to study information technology?

A. Information technology is everywhere in business.

B. Information technology is frequently discussed in business.

C. Information technology is frequently used in organizations.

**D.** All of these are correct.

**Feedback:** Information technology is everywhere in business, frequently discussed in business, and frequently used in organizations.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Scrambling: Locked

Accessibility: Keyboard Navigation

104. Why do students need to study information technology?

**A.** Information technology is everywhere in business.

B. Information technology is rarely discussed in business.

C. Information technology is rarely used in organizations.

D. Information technology is found in only a few businesses.

**Feedback:** Information technology is everywhere in business.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

105. What is the Internet of Things?

**A.** a world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention

B. extracts information from data and uses it to predict future trends and identify behavioral patterns

C. refers to devices that connect directly to other devices

D. opportunities to change the way people purchase books

**Feedback:** The Internet of Things is a world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

106. What is machine to machine?

A. a world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention

B. extracts information from data and uses it to predict future trends and identify behavioral patterns

**C.** refers to devices that connect directly to other devices

D. opportunities to change the way people purchase books

**Feedback:** Machine to machine (M2M), which refers to devices that connect directly to other devices.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

107. What is the confirmation or validation of an event or object?

**A.** fact

B. data

C. information technology

D. business intelligence

**Feedback:** A fact is the confirmation or validation of an event or object.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

108. The age we live in has infinite quantities of facts that are widely available to anyone who can use a computer. What age is this statement referring to?

A. data age

**B.** information age

C. business intelligence age

D. Internet of Things

**Feedback:** The information age has infinite quantities of facts that are widely available to anyone who can use a computer.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

109. Which of the following is *not* a technology company but used technology to revamp the business process of selling books?

A. Netflix

B. Dell

C. Zappos

**D.** Amazon

**Feedback:** Amazon is not a technology company but used technology to revamp the business process of selling books.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

110. Which of the following is *not* a technology company but used technology to revamp the business process of renting videos?

**A.** Netflix

B. Dell

C. Zappos

D. Amazon

**Feedback:** Netflix is not a technology company but used technology to revamp the business process of renting videos.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

111. \_\_\_\_\_\_\_\_\_\_\_ is a world where interconnected, Internet-enabled devices or “things” can collect and share data without human intervention.

**A.** Internet of Things

B. Predictive Analytics

C. Machine to Machine

D. Flat World

**Feedback:** The Internet of Things is a world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

112. \_\_\_\_\_\_\_\_\_ refers to devices that connect directly to other devices.

A. Internet of Things

B. Predictive analytics

**C.** Machine to machine

D. Flat world

**Feedback:** Machine to machine (M2M), which refers to devices that connect directly to other devices.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

113. Which of the following is *not* a technology company but used technology to revamp the business process of selling shoes?

A. Netflix

B. Dell

**C.** Zappos

D. Amazon

**Feedback:** Zappos is not a technology company but used technology to revamp the business process of selling shoes.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

114. Which of the following is the key term that defines the confirmation or validation of an event or object?

A. buyer power

B. data

**C.** fact

D. entry barrier

**Feedback:** A fact is the confirmation or validation of an event or object.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

115. What is data converted into a meaningful and useful context?

A. competitive intelligence

**B.** information

C. buyer power

D. first-mover advantage

**Feedback:** Information is data converted into a meaningful and useful context.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

116. Which of the following is *not* considered a core driver of the information age?

A. information

B. usiness Intelligence

**C.** competitive Intelligence

D. data

**Feedback:** The core drivers of the information age include data, information, business intelligence, and knowledge.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

117. Which of the following is *not* considered a core driver of the information age?

A. information

B. business Intelligence

C. knowledge

**D.** variables

**Feedback:** The core drivers of the information age include data, information, business intelligence, and knowledge.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

118. Which of the following is considered a core driver of the information age?

A. fact

B. goods

C. competitive Intelligence

**D.** data

**Feedback:** The core drivers of the information age include data, information, business intelligence, and knowledge.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

119. Which of the following is considered a core driver of the information age?

A. information

B. business intelligence

C. knowledge

**D.** All of these are correct.

**Feedback:** The core drivers of the information age include data, information, business intelligence, and knowledge.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Scrambling: Locked

Accessibility: Keyboard Navigation

120. Which of the following is considered information?

A. quantity sold

B. date sold

**C.** best-selling item by month

D. product sold

**Feedback:** Best-selling item by month is information.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

121. Which of the following is considered data?

**A.** quantity sold

B. best customer by month

C. best-selling item by month

D. worst selling item by month

**Feedback:** Quantity sold is data.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

122. Cheryl is the operations manager for Nature’s Bread Company, which specializes in providing natural products for health conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company’s profitability and forecast production for the next day. Which of the following is an example of a piece of data Cheryl would be using to successfully perform her job?

**A.** Craig Newmark is customer number 15467.

B. compare the costs of supplies including energy over the last five years to determine the best-selling product by month

C. best-selling product by day

D. Best-selling product changes when Tony the best baker is working.

**Feedback:** Data is raw facts that describe the characteristics of an event or object. Data for Cheryl would include Craig Newmark is customer number 15467.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

123. Cheryl is the operations manager for Nature’s Bread Company, which specializes in providing natural products for health conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company’s profitability and forecast production for the next day. Which of the following is an example of the type of information Cheryl would be using to successfully perform her job?

A. Craig Newmark is customer number 15467.

B. Flour Power is supplier number 8745643.

**C.** best-selling product by day

D. Best-selling product changes when Tony the best baker is working.

**Feedback:** Best-selling product by day is an example of information.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

124. Cheryl is the operations manager for Nature’s Bread Company, which specializes in providing natural products for health conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company’s profitability and forecast production for the next day. Which of the following is an example of knowledge that Cheryl would be using to successfully perform her job?

A. Craig Newmark is customer number 15467.

B. Flour Power is supplier number 8745643.

C. best-selling product by day

**D.** Best-selling product changes when Tony the best baker is working.

**Feedback:** Knowledge would include knowing that the best baker is Tony and that when he works the best-selling product changes.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

125. Which of the following is an example of information?

A. Who is customer number 12345XX?

B. What is product number 12345XX?

C. What customer number is Bob Smith?

**D.** What is my worst-selling product?

**Feedback:** What is my worst-selling product is an example of taking data and turning it into information.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

126. Which of the following is an example of data?

A. Who are my best customers?

B. What is my best-selling product?

C. What is my worst-selling product?

**D.** Who is customer number 12345XX?

**Feedback:** Who is customer number 12345XX is an example of data.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

127. What is data?

**A.** raw facts that describe the characteristics of an event or object

B. data converted into a meaningful and useful context

C. information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making

D. skills, experience, and expertise, coupled with information and intelligence, that creates a person’s intellectual resources

**Feedback:** Data are raw facts that describe the characteristics of an event or object.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

128. Data is useful for understanding individual sales, but to gain deeper insight into a business data needs to be turned into information. Which of the following offers an example of turning data into information?

A. Who are my best customers?

B. What is my best-selling product?

C. What is my worst-selling product?

**D.** All of these are correct.

**Feedback:** Data-generating questions outlined in the book include: Who are my best customers? Who are my least-profitable customers? What is my best-selling product? What is my slowest-selling product? Who is my strongest sales representative? Who is my weakest sales representative?

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Scrambling: Locked

Accessibility: Keyboard Navigation

129. What is information?

A. raw facts that describe the characteristics of an event or object

**B.** data converted into a meaningful and useful context

C. information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making

D. skills, experience, and expertise, coupled with information and intelligence that creates a person’s intellectual resources

**Feedback:** Information is data converted into a meaningful and useful context.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

130. What is business intelligence?

A. raw facts that describe the characteristics of an event or object

B. data converted into a meaningful and useful context

**C.** information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making

D. skills, experience, and expertise, coupled with information and intelligence, which creates a person’s intellectual resources

**Feedback:** Business intelligence is information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

131. What is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making?

A. supplier’s intelligence

B. social intelligence

C. employee intelligence

**D.** business intelligence

**Feedback:** Business intelligence is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

132. Information is data converted into useful, meaningful context. What are data characteristics that change or vary over time?

A. facts

**B.** variables

C. supplies

D. services

**Feedback:** A variable is a data characteristic that stands for a value that changes or varies over time.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

133. Business intelligence is information collected from multiple sources. Which of the following provides an example of a source that would be included in business intelligence?

A. suppliers

B. customers

C. competitors

**D.** All of these are correct.

**Feedback:** Business intelligence is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Scrambling: Locked

Accessibility: Keyboard Navigation

134. Which of the following represents the definition of a variable?

A. a data characteristic that is collected through competitive intelligence and cannot change over time

**B.** a data characteristic that stands for a value that changes or varies over time

C. a data characteristic that stands for a value that does not change or vary over time

D. a data characteristic that is collected only through competitive intelligence and can change over time

**Feedback:** A variable is a data characteristic that stands for a value that changes or varies over time and can be manipulated to help improve profits.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 2 Medium

Blooms: Understand

Accessibility: Keyboard Navigation

135. \_\_\_\_\_\_\_\_ extracts information from data and uses it to predict future trends and identify behavioral patterns.

A. Internet of Things

**B.** Predictive Analytics

C. Machine to Machine

D. Flat World

**Feedback:** Predictive analytics, which extracts information from data and uses it to predict future trends and identify behavioral patterns.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

136. Today’s workers are referred to as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and they use BI along with personal experience to make decisions based on both information and intuition, a valuable resource for any company.

**A.** knowledge workers

B. knowledge thinkers

C. knowledge resources

D. knowledge players

**Feedback:** Today’s workers are commonly referred to as knowledge workers and they use BI along with personal experience to make decisions based on both information and intuition, a valuable resource for any company.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

137. What is knowledge?

A. Raw facts that describe the characteristics of an event or object.

B. Data converted into a meaningful and useful context.

C. Information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making.

**D.** Skills, experience, and expertise, coupled with information and intelligence that creates a person’s intellectual resources.

**Feedback:** Knowledge includes skills, experience, and expertise, coupled with information and intelligence that creates a person’s intellectual resources.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

138. Which of the following represents the core drivers of the information age?

**A.** data, information, business intelligence, knowledge

B. fact, data, intelligence, experience

C. fact, intelligence, business skills, knowledge

D. data, intelligence, business information, knowledge

**Feedback:** Data, information, business intelligence, and knowledge are the core drivers of the information age.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

139. Which of the following is *not* a core driver of the information age?

A. information

B. knowledge

**C.** Internet of Things

D. data

**Feedback:** The core drivers of the information age are data, information, business intelligence, and knowledge.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

140. What is predictive analytics?

A. A world where interconnected, Internet-enabled devices or "things" can collect and share data without human intervention

**B.** Extracts information from data and uses it to predict future trends and identify behavioral patterns

C. Refers to devices that connect directly to other devices

D. Opportunities to change the way people purchase books

**Feedback:** Predictive analytics extracts information from data and uses it to predict future trends and identify behavioral patterns.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 1 Easy

Blooms: Remember

Accessibility: Keyboard Navigation

141. How are the majority of companies today typically organized?

**A.** by departments or functional areas

B. by departments or financial areas

C. by degree or financial areas

D. by manager or knowledge area

**Feedback:** Companies today are typically organized by departments or functional areas.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

142. How does the text recommend that a company operate if it wants to be successful in the information age?

A. functionally independent between departments

**B.** interdependently between departments

C. together as one department with little or no independence

D. each department acting as its own individual business unit

**Feedback:** For companies to operate as a whole and be successful in our current business environment today, they must operate interdependently between departments.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

143. Most companies are typically organized by departments or functional areas. Which of the following is not a common department found in a company?

A. accounting

**B.** payroll

C. marketing

D. human resources

**Feedback:** Payroll is part of the accounting department.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

144. The sales department needs to rely on information from operations to understand \_\_\_\_\_\_\_\_\_.

A. inventory

B. customer orders

C. demand forecasts

**D.** All of these are correct.

**Feedback:** Sales needs to rely on information from operations to understand inventory, place orders, and forecast consumer demand.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

145. Which of the following represents the department that maintains policies, plans, and procedures for the effective management of employees?

**A.** human resources

B. sales

C. employee resources

D. employee relations

**Feedback:** Human resources maintains policies, plans, and procedures for the effective management of employees.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

146. Greg works for Geneva Steel Corporation. Greg’s duties include managing the overall processes for the company and transforming the steel resources into goods. Which department would Greg most likely work in?

A. accounting

**B.** operations management

C. marketing

D. CIO

**Feedback:** Operations management manages the process of converting or transforming of resources into goods or services.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

147. Information technology can enable departments to more efficiently and effectively perform their core \_\_\_\_\_\_\_\_\_\_\_\_\_.

A. facts

B. feedback mechanisms

**C.** business operations

D. media issues

**Feedback:** Information technology can enable departments to more efficiently and effectively perform their business operations.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

148. The department within a company that records, measures, and reports monetary transactions is called \_\_\_\_\_\_\_\_\_\_\_\_\_.

**A.** accounting

B. marketing

C. human resources

D. operations management

**Feedback:** The department within a company that records, measures, and reports monetary transactions is accounting.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

149. The department within a company that performs the function of selling goods or services is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

A. marketing

**B.** sales

C. finance

D. operations management

**Feedback:** The department within a company that performs the function of selling goods or services is sales.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

150. The department within a company that supports the sales by planning, pricing, and promoting goods or services is called \_\_\_\_\_\_\_\_\_\_\_.

A. sales

B. operations management

C. accounting

**D.** marketing

**Feedback:** The department within a company that supports the sales by planning, pricing, and promoting goods or services is marketing.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

151. Which department tracks strategic financial issues, including money, banking, credit, investments, and assets?

A. sales

B. operations management

C. accounting

**D.** finance

**Feedback:** The finance department tracks strategic financial issues, including money, banking, credit, investments, and assets.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

152. Which department manages the process of converting or transforming resources into goods or services?

A. sales

**B.** operations management

C. accounting

D. finance

**Feedback:** The operations management department manages the process of converting or transforming resources into goods or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

153. Which department records, measures, and reports monetary transactions?

A. sales

B. operations management

**C.** accounting

D. finance

**Feedback:** Accounting records, measures, and reports monetary transactions.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

154. Which department maintains policies, plans, and procedures for the effective management of employees?

A. sales

B. operations management

C. accounting

**D.** human resources

**Feedback:** The human resources department maintains policies, plans, and procedures for the effective management of employees.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

155. Which activities belong in the accounting department?

**A.** records, measures, and reports monetary transactions

B. tracks strategic financial issues, including money, banking, credit, investments, and assets

C. supports sales by planning, pricing, and promoting goods or services is marketing

D. relies on information from operations to understand inventory, place orders, and forecast consumer demand

**Feedback:** Accounting records, measures, and reports monetary transactions.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

156. Which activities belong in the finance department?

A. records, measures, and reports monetary transactions

**B.** tracks strategic financial issues, including money, banking, credit, investments, and assets

C. supports sales by planning, pricing, and promoting goods or services is marketing

D. relies on information from operations to understand inventory, place orders, and forecast consumer demand

**Feedback:** The finance department tracks strategic financial issues, including money, banking, credit, investments, and assets.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

157. Which activities belong in the marketing department?

A. records, measures, and reports monetary transactions

B. tracks strategic financial issues, including money, banking, credit, investments, and assets

**C.** supports sales by planning, pricing, and promoting goods or services is marketing

D. relies on information from operations to understand inventory, place orders, and forecast consumer demand

**Feedback:** The marketing department within a company supports the sales by planning, pricing, and promoting goods or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

158. Which activities belong in the sales department?

A. records, measures, and reports monetary transactions

B. tracks strategic financial issues, including money, banking, credit, investments, and assets

C. supports the sales by planning, pricing, and promoting goods or services is marketing

**D.** relies on information from operations to understand inventory, place orders, and forecast consumer demand

**Feedback:** Sales needs to rely on information from operations to understand inventory, place orders, and forecast consumer demand.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

159. Which activities belong in the human resources department?

A. records, measures, and reports monetary transactions

B. tracks strategic financial issues, including money, banking, credit, investments, and assets

C. supports sales by planning, pricing, and promoting goods or services is marketing

**D.** maintains policies, plans, and procedures for the effective management of employees

**Feedback:** Human resources maintains policies, plans, and procedures for the effective management of employees.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

160. Which activities belong in the operations management department?

A. records, measures, and reports monetary transactions

**B.** manages the process of converting or transforming resources into goods or services

C. supports the sales by planning, pricing, and promoting goods or services is marketing

D. maintains policies, plans, and procedures for the effective management of employees

**Feedback:** Operations management manages the process of converting or transforming resources into goods or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

161. Which data types are typically found in the marketing department?

**A.** promotion data, sales data, advertising data

B. employee data, promotion data, vacation data

C. investment data, monetary data, reporting data

D. transactional data, purchasing data, payroll data, tax data

**Feedback:** The marketing department uses promotion data, sales data, and advertising data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

162. Which data types are typically found in the human resources department?

A. promotion data, sales data, advertising data

**B.** employee data, promotion data, vacation data

C. investment data, monetary data, reporting data

D. transactional data, purchasing data, payroll data, tax data

**Feedback:** The human resources department uses employee data, promotion data, and vacation data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

163. Which data types are typically found in the finance department?

A. promotion data, sales data, advertising data

B. employee data, promotion data, vacation data

**C.** investment data, monetary data, reporting data

D. transactional data, purchasing data, payroll data, tax data

**Feedback:** The finance department uses investment data, monetary data, and reporting data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

164. Which data types are typically found in the accounting department?

A. promotion data, sales data, advertising data

B. employee data, promotion data, vacation data

C. investment data, monetary data, reporting data

**D.** transactional data, purchasing data, payroll data, tax data

**Feedback:** The accounting department uses transactional data, purchasing data, payroll data, and tax data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

165. Which data types are typically found in the sales department?

**A.** sales data, customer data, commission data, and customer support data

B. employee data, promotion data, vacation data

C. investment data, monetary data, reporting data

D. transactional data, purchasing data, payroll data, tax data

**Feedback:** The sales department uses sales data, customer data, commission data, and customer support data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

166. Which data types are typically found in the operations management department?

**A.** manufacturing data, distribution data, and production data

B. sales data, customer data, commission data, and customer support data

C. employee data, promotion data, vacation data

D. investment data, monetary data, reporting data

**Feedback:** The operations management department uses manufacturing data, distribution data, and production data.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

167. Which of the following represents the relationship between functional areas in a business?

A. independent

B. autonomous

**C.** interdependent

D. self-sufficient

**Feedback:** Functional areas are interdependent.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

168. Which of the following represents the types of data commonly found in the accounting department?

A. tax data

B. payroll data

C. transactional data

**D.** All of these are correct.

**Feedback:** Tax, payroll and transactional data are all found in the accounting department.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

169. Which of the following represents the types of data commonly found in the finance department?

**A.** monetary data

B. technology data

C. production data

D. employee data

**Feedback:** Monetary data is most commonly found in the finance department.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

170. Which of the following represents the types of data commonly found in the human resources department?

A. financial data

B. technology data

C. production data

**D.** employee data

**Feedback:** Employee data is most commonly found in the human resources department.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

171. Which of the following represents the types of data commonly found in the sales department?

A. customer data

B. sales report data

C. commission data

**D.** All of these are correct.

**Feedback:** All data types are found in the sales department.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

172. Which of the following represents the types of data commonly found in the marketing department?

**A.** promotional data

B. payroll data

C. tax data

D. employee data

**Feedback:** Promotional data is most commonly found in the marketing department.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

173. Which of the following represents the types of data commonly found in the operations management department?

A. monetary data

B. payroll data

**C.** production data

D. employee data

**Feedback:** Production data is most commonly found in the operations management department.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

174. What are material items or products that customers will buy to satisfy a want or need?

**A.** goods

B. services

C. production

D. productivity

**Feedback:** Goods are material items or products that customers will buy to satisfy a want or need.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

175. What are tasks performed by people that customers will buy to satisfy a want or need?

A. goods

**B.** services

C. production

D. productivity

**Feedback:** Services are tasks performed by people that customers will buy to satisfy a want or need.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

176. What is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services?

A. goods

B. services

**C.** production

D. productivity

**Feedback:** Production is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

177. What is the rate at which goods and services are produced based upon total output given total inputs?

A. goods

B. services

C. production

**D.** productivity

**Feedback:** Productivity is the rate at which goods and services are produced based upon total output given total inputs.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

178. What are goods?

**A.** material items or products that customers will buy to satisfy a want or need

B. tasks performed by people that customers will buy to satisfy a want or need

C. the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services

D. the rate at which goods and services are produced based upon total output given total inputs

**Feedback:** Goods are material items or products that customers will buy to satisfy a want or need.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

179. What are services?

A. material items or products that customers will buy to satisfy a want or need

**B.** tasks performed by people that customers will buy to satisfy a want or need

C. the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services

D. the rate at which goods and services are produced based upon total output given total inputs

**Feedback:** Services are tasks performed by people that customers will buy to satisfy a want or need.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

180. What is production?

A. material items or products that customers will buy to satisfy a want or need

B. tasks performed by people that customers will buy to satisfy a want or need

**C.** the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services

D. the rate at which goods and services are produced based upon total output given total inputs

**Feedback:** Production is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

181. If you were thinking about a washing machine as a system, which of the following represents the inputs?

**A.** the dirty clothes, water, and detergent

B. the clean clothes

C. the wash and rinse cycle

D. the light indicating that the washer is off balance and has stopped

**Feedback:** The inputs for a washing machine include the dirty clothes, water, and detergent.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

182. If you were thinking about a washing machine as a system, which of the following represents the process?

A. the dirty clothes, water, and detergent

B. the clean clothes

**C.** the wash and rinse cycle

D. the light indicating that the washer is off balance and has stopped

**Feedback:** The process for a washing machine includes the wash and rinse cycle.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

183. If you were thinking about a washing machine as a system, which of the following represents the feedback?

A. the dirty clothes, water, and detergent

B. the clean clothes

C. the wash and rinse cycle

**D.** the light indicating that the washer is off balance and has stopped

**Feedback:** The feedback for a washing machine includes a light indicating that the washer is off balance and has stopped.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

184. If you were thinking about a washing machine as a system, which of the following represents the outputs?

A. the dirty clothes, water, and detergent

**B.** the clean clothes

C. the wash and rinse cycle

D. the light indicating that the washer is off balance and has stopped

**Feedback:** The output for a washing machine includes clean clothes.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

185. If you were thinking about an oven as a system, which of the following represents the input?

**A.** the uncooked food

B. the cooked food

C. a light indicating that the oven has reached the preheated temperature

D. the oven running at 350 degrees for 20 minutes

**Feedback:** The input for an oven includes the uncooked food.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

186. If you were thinking about an oven as a system, which of the following represents the output?

A. the uncooked food

**B.** the cooked food

C. a light indicating that the oven has reached the preheated temperature

D. the oven running at 350 degrees for 20 minutes

**Feedback:** The output for an oven includes the cooked food.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

187. If you were thinking about an oven as a system, which of the following represents the process?

A. the uncooked food

B. the cooked food

C. a light indicating that the oven has reached the preheated temperature

**D.** the oven running at 350 degrees for 20 minutes

**Feedback:** The process for an oven includes running at 350 degrees for 20 minutes.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

188. If you were thinking about an oven as a system, which of the following represents the feedback?

A. the uncooked food

B. the cooked food

**C.** a light indicating that the oven has reached the preheated temperature

D. the oven running at 350 degrees for 20 minutes

**Feedback:** The feedback for an oven includes a light indicating that the oven has reached the preheated temperature.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

189. If you were thinking about a home theater system, which of the following represents the inputs?

**A.** the DVD player, DVD movie, speakers, TV, and electricity

B. playing the movie, including the audio through the speakers and the video on the TV

C. a message stating that the disk is dirty and cannot be played

D. spinning the disk to play, pause, rewind, or fast forward

**Feedback:** A home theater system requires inputs of the DVD player, DVD movie, speakers, TV, and electricity.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

190. If you were thinking about a home theater system, which of the following represents the outputs?

A. the DVD player, DVD movie, speakers, TV, and electricity

**B.** playing the movie including the audio through the speakers and the video on the TV

C. a message stating that the disk is dirty and cannot be played

D. spinning the disk to play, pause, rewind, or fast forward

**Feedback:** The output of a home theater system includes playing the movie, including the audio through the speakers and the video on the TV.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

191. If you were thinking about a home theater system, which of the following represents the process?

A. the DVD player, DVD movie, speakers, TV, and electricity

B. playing the movie including the audio through the speakers and the video on the TV

C. a message stating that the disk is dirty and cannot be played

**D.** spinning the disk to play, pause, rewind, or fast forward

**Feedback:** The process of a home theater system includes spinning the disk to play, pause, rewind, or fast forward.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

192. If you were thinking about a home theater system, which of the following represents the feedback?

A. the DVD player, DVD movie, speakers, TV, and electricity

B. playing the movie including the audio through the speakers and the video on the TV

**C.** a message stating that the disk is dirty and cannot be played

D. spinning the disk to play, pause, rewind, or fast forward

**Feedback:** The feedback from a home theater system includes a message stating that the disk is dirty and cannot be played.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

193. What is productivity?

A. material items or products that customers will buy to satisfy a want or need

B. tasks performed by people that customers will buy to satisfy a want or need

C. the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services

**D.** the rate at which goods and services are produced based upon total output given total inputs

**Feedback:** Productivity is the rate at which goods and services are produced based upon total output given total inputs.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

194. Cars, groceries, and clothing belong in which category?

**A.** goods

B. services

C. production

D. productivity

**Feedback:** Cars, groceries, and clothing belong in the goods category.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

195. Teaching, waiting tables, and cutting hair belong in which category?

A. goods

**B.** services

C. production

D. productivity

**Feedback:** Teaching, waiting tables, and cutting hair belong in the services category.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

196. Which of the following is considered a good?

A. cars

B. groceries

C. clothing

**D.** All of these are correct.

**Feedback:** Cars, groceries, and clothing belong in the goods category.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

197. Which of the following is considered a service?

A. teaching

B. waiting tables

C. cutting hair

**D.** All of these are correct.

**Feedback:** Teaching, waiting tables, and cutting hair belong in the services category.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

198. Which of the following is considered a good?

**A.** cars

B. teaching

C. waiting tables

D. All of these are correct.

**Feedback:** Cars, groceries, and clothing belong in the goods category.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

199. Which of the following is considered a service?

A. cars

B. groceries

**C.** cutting hair

D. All of these are correct.

**Feedback:** Teaching, waiting tables, and cutting hair belong in the services category.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

200. Which of the following is considered a good?

**A.** milk and eggs

B. managing a team

C. selling groceries

D. All of these are correct.

**Feedback:** Milk and eggs are groceries. Cars, groceries, and clothing belong in the goods category.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

201. Which of the following is considered a service?

A. selling groceries

B. managing a team

C. cutting hair

**D.** All of these are correct.

**Feedback:** Selling groceries, managing a team, teaching, waiting tables, and cutting hair belong in the services category.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

202. The lettuce, tomatoes, patty, bun, and ketchup are included in which category of making a hamburger?

**A.** input

B. process

C. output

D. All of these are correct.

**Feedback:** Lettuce, tomatoes, patty, bun, and ketchup are all included in the input category of making a hamburger.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

203. Cooking a patty and putting the ingredients together are included in which category of making a hamburger?

A. input

**B.** process

C. output

D. All of these are correct.

**Feedback:** Cooking a patty and putting the ingredients together are all included in the process category of making a hamburger.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

204. The actual hamburger is included in which category of making a hamburger?

A. input

B. process

**C.** output

D. All of these are correct.

**Feedback:** The hamburger is the output in the process of making a hamburger.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

205. Assume you are in the business of producing and selling hamburgers. If you could produce more hamburgers with the same input, what would happen to your productivity and profits assuming the price of your hamburgers remains the same?

A. increase in productivity, decrease in profits

**B.** increase in productivity, increase in profits

C. decrease in productivity, decrease in profits

D. decrease in productivity, increase in profits

**Feedback:** If you could produce more hamburgers with the same input and the price of your hamburgers remains the same, productivity would increase and profits would increase.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

206. Assume you are in the business of producing and selling t-shirts. If you could produce more t-shirts with the same input, what would happen to your productivity and profits assuming the price of your t-shirts remains the same?

A. increase in productivity, decrease in profits

**B.** increase in productivity, increase in profits

C. decrease in productivity, decrease in profits

D. decrease in productivity, increase in profits

**Feedback:** If you could produce more t-shirts with the same input and the price of your t-shirts remains the same, productivity would increase and profits would increase.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

207. Assume you are in the business of producing and selling cars. If you could produce more cars with the same input, what would happen to your productivity and profits assuming the price of your cars remains the same?

A. increase in productivity, decrease in profits

**B.** increase in productivity, increase in profits

C. decrease in productivity, decrease in profits

D. decrease in productivity, increase in profits

**Feedback:** If you could produce more cars with the same input and the price of your cars remains the same, productivity would increase and profits would increase.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

208. Which of the following statements is true?

A. MIS equals business success.

B. MIS equals business innovation.

C. MIS represents business success and innovation.

**D.** MIS enables business success and innovation.

**Feedback:** MIS is an important enabler of business success and innovation.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

209. What is a way of monitoring the entire system in a company, by viewing the multiple inputs being processed to produce outputs?

A. feedback thinking

**B.** systems thinking

C. output management

D. operational thinking

**Feedback:** Systems thinking is a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

210. Feedback is information that returns to its original transmitter and modifies the transmitter's actions. What would the original transmitter include?

**A.** input, transform, output

B. input, transform, outnumber

C. output, input, performer

D. input, process, transform

**Feedback:** Feedback is information that returns to its original transmitter and modifies the transmitter's actions. The original transmitter includes input, transform, output.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

211. Which of the following provides an accurate definition of systems thinking?

**A.** a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part

B. a way of monitoring individual components including an input, the process, and an output, while continuously gathering feedback on the entire system

C. a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on the entire system

D. a way of monitoring singular parts of a system by viewing a single input that is processed or transformed to produce an entire system that is continuously monitored to gather feedback on each individual part

**Feedback:** Systems thinking is a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

212. MIS is a business function. Which of the following does MIS perform to help aid the company in decision making and problem solving?

A. moves information about people

B. moves processes across the company to improve systems

C. moves information about products

**D.** All of these are correct.

**Feedback:** MIS is a business function, which moves information about people, products, and processes across the company to facilitate decision making and problem solving.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

213. A system is a collection of parts that link to achieve a common purpose. Systems thinking is a way of monitoring \_\_\_\_\_\_\_\_\_\_\_\_\_.

**A.** the entire system

B. a division within the sales role

C. the executive team

D. the company’s competitors

**Feedback:** A system is a collection of parts that link to achieve a common purpose, where systems thinking is a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

214. MIS can be an important enabler of business success and innovation. Which of the below statements is accurate when referring to MIS?

A. MIS equals business success and innovation.

B. MIS represents business success and innovation.

C. MIS is not a valuable tool that leverages talent.

**D.** MIS is a valuable tool that can leverage the talents of people who know how to use and manage it effectively.

**Feedback:** MIS does not equal or represent business success and innovation. It is a valuable tool that can leverage the talents of people who know how to use and manage it effectively.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

215. What is the name of a company’s internal computer department?

A. Management Information Systems (MIS)

B. Information Systems (IS)

C. Information Technology (IT)

**D.** All of these are correct.

**Feedback:** Typical organizations have an internal MIS department often called Information Technology (IT), Information Systems (IS), or Management Information Systems (MIS).

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Scrambling: Locked

Accessibility: Keyboard Navigation

216. Which four elements are included in systems thinking?

A. output, process, feedback, and accounting

B. process, output, operations, and accounting

**C.** input, process, output, and feedback

D. input, output, sales, and feedback

**Feedback:** The systems thinking process includes input, process, output, and feedback.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

217. MIS is a business function, like accounting or sales, which moves information about people, products, and processes across the company to facilitate decision making and problem solving. What does MIS stands for?

A. Management Information Strategy

B. Management Intelligence System

**C.** Management Information System

D. Management Information Strategist

**Feedback:** MIS stands for Management Information Systems.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

218. The challenge that companies today sometimes have is that they are departmentalized and act independently of each other. Which of the following provides solutions that can help a company work interdepartmentally to make decisions and solve problems?

A. marketing

B. human resource data

**C.** management information systems

D. resource information systems

**Feedback:** A management information system is a business function, like accounting and human resources, which moves information about people, products, and processes across the company to facilitate decision making and problem solving.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

219. Shelby Black runs a very successful hair salon in downtown Los Angeles. One of Shelby’s tasks is to input positive and negative customer reviews into her computer system. What type of information is Shelby gathering?

**A.** feedback

B. processing

C. output management

D. sales processing

**Feedback:** Feedback is information that returns to its original transmitter (input, transform, or output) and modifies the transmitter's actions.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

220. Who is responsible for collecting, maintaining, and distributing company knowledge?

**A.** Chief Knowledge Officer (CKO)

B. Chief Privacy Officer (CPO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

**Feedback:** The CKO is responsible for collecting, maintaining, and distributing company knowledge.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

221. Who is responsible for ensuring the ethical and legal use of information within a company?

A. Chief Knowledge Officer (CKO)

**B.** Chief Privacy Officer (CPO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

**Feedback:** The CPO is responsible for ensuring the ethical and legal use of information within a company.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

222. Who is responsible for ensuring the speed, accuracy, availability, and reliability of the management information systems within a company?

A. Chief Knowledge Officer (CKO)

B. Chief Privacy Officer (CPO)

**C.** Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

**Feedback:** The CTO is responsible for ensuring the speed, accuracy, availability, and reliability of the management information systems within a company.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

223. Who is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives?

A. Chief Knowledge Officer (CKO)

B. Chief Privacy Officer (CPO)

C. Chief Technology Officer (CTO)

**D.** Chief Information Officer (CIO)

**Feedback:** The CIO is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

224. Who is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks by hackers and viruses?

A. Chief Knowledge Officer (CKO)

**B.** Chief Security Office (CSO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

**Feedback:** The CSO is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks by hackers and viruses.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

225. Trina works for Johnson Electric as a corporate lawyer, and part of her duties are to ensure the ethical and legal use of information within the company. Which of the following represents Trina’s role at Johnson Electric?

A. Chief Knowledge Officer (CKO)

**B.** Chief Privacy Officer (CPO)

C. Chief Technology Officer (CTO)

D. Chief Information Officer (CIO)

**Feedback:** The CPO is responsible for ensuring the ethical and legal use of information within a company.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

226. Susan is an executive at Equity Title where she is responsible for collecting, maintaining and distributing knowledge for the company. What is Susan’s role at Equity Title?

**A.** Chief Knowledge Officer (CKO)

B. Chief Technology Officer (CTO)

C. Chief Information Officer (CIO)

D. Chief Security Officer (CSO)

**Feedback:** The CKO is responsible for collecting, maintaining, and distributing company knowledge.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

227. What is the primary responsibility of the CTO?

A. overseeing all uses of MIS

B. ensuring the security of business systems

**C.** ensuring speed, accuracy, and reliability for MIS

D. collecting and distributing company information

**Feedback:** The chief technology officer is responsible for ensuring the speed, accuracy, availability, and reliability for MIS.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

228. Jeremy is an executive for Green Web Designs, where his primary role is to ensure the security of business systems and develop strategies to protect the company from online viruses and hackers. What is Jeremy’s role within the company?

A. Chief Executive Officer (CEO)

**B.** Chief Security Officer (CSO)

C. Chief Procurement Officer (CPO)

D. Chief Technology Officer (CTO)

**Feedback:** The CSO is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks by hackers and viruses.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Apply

Accessibility: Keyboard Navigation

229. Which role within a company is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives?

A. Chief knowledge officer (CKO)

B. Chief privacy officer (CPO)

**C.** Chief information officer (CIO)

D. Chief security officer (CSO)

**Feedback:** The CIO is responsible for (1) overseeing all uses of MIS and (2) ensuring that MIS strategically aligns with business goals and objectives.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Accessibility: Keyboard Navigation

230. A business strategy achieves a specific set of goals, including\_\_\_\_\_\_\_\_\_\_.

A. developing new products or services, and attracting new competition

B. increasing costs, and attracting new competition

**C.** attracting new customers, and developing new products or services

D. All of these are correct.

**Feedback:** A business strategy is a leadership plan that achieves a specific set of goals or objectives such as developing new products or services, entering new markets, increasing customer loyalty, attracting new customers, increasing sales, and decreasing costs.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Scrambling: Locked

Accessibility: Keyboard Navigation

231. What is a person or group that has an interest or concern in an organization?

**A.** stakeholder

B. business strategy

C. supplier

D. partner

**Feedback:** A stakeholder is a person or group that has an interest or concern in an organization.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

232. Which group of stakeholders' primary interests include reliable contracts, ethical materials handling, and responsible production?

**A.** partners/suppliers

B. shareholders/investors

C. community

D. government

**Feedback:** Partners/suppliers' primary interests are in reliable contracts, ethical materials handling, and responsible production.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

233. Which group of stakeholder's primary interests include adhering to regulations/laws, increasing employment, and ethical taxation reporting?

A. partners/suppliers

B. shareholders/investors

C. community

**D.** government

**Feedback:** Government's primary interests include adhering to regulations/laws, increasing employment, and ethical taxation reporting.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

234. Which group of stakeholder's primary interests include maximizing profits, growing market share, and high return on investment?

A. partners/suppliers

**B.** shareholders/investors

C. community

D. government

**Feedback:** Shareholders/investors' primary interests include maximizing profits, growing market share, and gaining high return on investment.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

235. Which group of stakeholders' primary interests include exceptional customer service, high-quality products, and ethical dealings?

A. partners/suppliers

B. shareholders/investors

C. community

**D.** customers

**Feedback:** Customers' primary interests include exceptional customer service, high-quality products, and ethical dealings.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

236. Which group of stakeholders' primary interests include fair compensation, job security, and ethical conduct/treatment?

**A.** employees

B. shareholders/investors

C. community

D. customers

**Feedback:** Employees' primary interests include fair compensation, job security, and ethical conduct/treatment.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

237. A \_\_\_\_\_\_\_\_\_\_ advantage features a product or service on which customers place a greater value than they do on similar offerings from competitors.

**A.** competitive

B. competitor

C. power

D. first mover

**Feedback:** A competitive features a product or service on which customers place a greater value than they do on similar offerings from competitors.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

238. Which group of stakeholders' primary interests include professional associations, ethical recycling, and increasing employment?

A. employees

B. shareholders/investors

**C.** community

D. customers

**Feedback:** The community's primary interests include professional associations, ethical recycling, and increasing employment.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

239. Identifying competitive advantages can be difficult and explains why they are typically \_\_\_\_\_\_\_.

**A.** temporary

B. satisfactory

C. terminated

D. unsuccessful

**Feedback:** Competitive advantages are typically temporary.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

240. Updating business strategies is a continuous undertaking as internal and external environments \_\_\_\_\_\_\_\_.

A. become less competitive

B. remain stagnant

**C.** rapidly change

D. become more consistent

**Feedback:** Updating business strategies is a continuous undertaking as internal and external environments rapidly change.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

241. Which of the following represents a reason why competitive advantages are typically temporary?

A. The competitor will hire away your key employees.

B. The competitor quickly seeks ways to duplicate your business operations.

C. The competitor will purchase new technology.

**D.** All of these are correct.

**Feedback:** Competitive advantages are typically temporary, because competitors often quickly seek ways to duplicate them by acquiring new technology, copying the business operations, and hiring away key employees.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Scrambling: Locked

Accessibility: Keyboard Navigation

242. What is a competitive advantage?

A. a product that an organization’s customers place a lesser value on than similar offerings from a competitor

B. a feature of a product or service on which customers place a lesser value than they do on similar offerings from a supplier

C. a service that an organization’s customers place a lesser value on than similar offerings from a supplier

**D.** a feature of a product or service on which customers place a greater value than they do on similar offerings from competitors

**Feedback:** This is the definition of competitive advantage.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

243. Which of the following is *not* a typical way that a company would duplicate a competitive advantage?

A. acquiring the new technology

B. copying the business operations

C. hiring away key employees

**D.** carrying large product inventories

**Feedback:** Ways that companies duplicate competitive advantages include acquiring new technology, copying the business operations, and hiring away key employees.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

244. When a company is the first to market with a competitive advantage, this is called a first-mover advantage. All of the following companies were first-movers except \_\_\_\_\_\_\_\_\_\_\_\_.

A. FedEx – online self-service software

B. Apple – iPad

C. Apple – iPod

**D.** Microsoft – Bing Search Engine

**Feedback:** First-mover advantage is an advantage that occurs when a company can significantly increase its market share by being first with a competitive advantage. Google was first to market with search engine technology.

Difficulty: 3 Hard

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Blooms: Analyze

Accessibility: Keyboard Navigation

245. Which of the following is a tool a manager can use to analyze competitive intelligence and identify competitive advantages?

**A.** the three generic strategies

B. the threat of substitute buyer power

C. differentiated costs

D. supplier loyalty

**Feedback:** Managers utilize four common tools to analyze competitive intelligence and develop competitive advantages including 1) SWOT analysis, 2) the five forces model, 3) the three generic strategies, and 4) value chain analysis.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

246. What is a SWOT analysis?

**A.** evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies

B. analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry

C. views a firm as a series of business processes, each of which adds value to the product or service

D. generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

**Feedback:** A SWOT analysis evaluates an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

247. What is included in a SWOT analysis?

A. strengths, weaknesses, organizations, and technology

**B.** strengths, weaknesses, opportunities, and threats

C. success, willingness, opportunities, and technology

D. success, weaknesses, organizations, and threats

**Feedback:** SWOT includes strengths, weaknesses, opportunities, and threats.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

248. Which of the following statements is correct when considering a SWOT analysis?

**A.** Strengths and weaknesses originate inside an organization.

B. Opportunities and threats originate inside an organization.

C. Strengths and threats originate inside an organization.

D. Opportunities and weaknesses originate outside an organization.

**Feedback:** Strengths and weaknesses originate inside an organization.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

249. Gina works for Aquarium Retail Services selling high-end saltwater fish and tank supplies. Aquarium Retail Services is the current market leader in Gina’s city. Gina has recently been approached by Deep Blue Incorporated with an opportunity to run its corporate nationwide marketing and sales division. Gina decides to jump at the opportunity! Deep Blue is attempting to gain a competitive \_\_\_\_\_\_\_\_ by stealing its competitor’s key employees.

A. power

B. entry barrier

**C.** advantage

D. loyalty

**Feedback:** Ways that companies duplicate competitive advantages include acquiring the new technology, copying business processes, and hiring away employees.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

250. The banking industry has implemented several competitive advantages including ATMs, online bill pay services, and electronic statements. Of course, these competitive advantages were quickly duplicated by any competitor that wanted to remain in the banking industry. These were all examples of which competitive advantage?

**A.** acquiring new technology products and services

B. hiring new employees

C. reducing expenses

D. gaining invaluable feedback from customers

**Feedback:** The banking industry has utilized competitive advantage by offering ATMs, online bill pay services, and e-statement. These are all examples of ways they duplicated each other by acquiring new technology products and services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

251. Which of the following statements is correct when considering a SWOT analysis?

A. strengths and weaknesses originate outside an organization.

**B.** opportunities and threats originate outside an organization.

C. strengths and threats originate inside an organization.

D. opportunities and weaknesses originate outside an organization.

**Feedback:** Opportunities and threats originate outside an organization.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

252. Which of the following are included as potential internal strengths in a SWOT analysis that are helpful to an organization?

**A.** core competencies, market leaders, cost advantages, excellent management

B. lack of strategic direction, obsolete technologies, lack of managerial talent, outdated product line

C. expanded product line, increase in demand, new markets, new regulations

D. new entrants, substitute products, shrinking markets, costly regulatory, requirements

**Feedback:** Internal strengths include core competencies, market leaders, cost advantages, and excellent management.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

253. Which of the following are included as potential internal weaknesses in a SWOT analysis that are harmful to an organization?

A. core competencies, market leaders, cost advantages, excellent management

**B.** lack of strategic direction, obsolete technologies, lack of managerial talent, outdated product line

C. expanded product line, increase in demand, new markets, new regulations

D. new entrants, substitute products, shrinking markets, costly regulatory, requirements

**Feedback:** Internal weaknesses that are harmful to an organization include lack of strategic direction, obsolete technologies, lack of managerial talent, and outdated product line.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

254. Which of the following are included as potential external opportunities in a SWOT analysis that are helpful to an organization?

A. core competencies, market leaders, cost advantages, excellent management

B. lack of strategic direction, obsolete technologies, lack of managerial talent, outdated, product line

**C.** expanded product line, increase in demand, new markets, new regulations

D. new entrants, substitute products, shrinking markets, costly regulatory, requirements

**Feedback:** Potential external opportunities that are helpful include expanded product line, increase in demand, new markets, and new regulations.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

255. Which of the following are included as potential external weaknesses in a SWOT analysis that are harmful to an organization?

A. core competencies, market leaders, cost advantages, excellent management

B. lack of strategic direction, obsolete technologies, lack of managerial talent, outdated, product line

C. expanded product line, increase in demand, new markets, new regulations

**D.** new entrants, substitute products, shrinking markets, costly regulatory requirements

**Feedback:** External weaknesses that are potentially harmful to an organization include new entrants, substitute products, shrinking markets, and costly regulatory requirements.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

256. Where would you categorize strengths in a SWOT analysis?

**A.** internal, helpful

B. internal, harmful

C. external, helpful

D. external, harmful

**Feedback:** Strengths are internal and helpful.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

257. Where would you categorize weaknesses in a SWOT analysis?

A. internal, helpful

**B.** internal, harmful

C. external, helpful

D. external, harmful

**Feedback:** Weaknesses are internal and harmful.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

258. Where would you categorize opportunities in a SWOT analysis?

A. internal, helpful

B. internal, harmful

**C.** external, helpful

D. external, harmful

**Feedback:** Opportunities are external and helpful.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

259. Where would you categorize threats in a SWOT analysis?

A. internal, helpful

B. internal, harmful

C. external, helpful

**D.** external, harmful

**Feedback:** Threats are external and harmful.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-04 Identify the four key areas of a SWOT analysis.

Topic: SWOT Analysis—Understanding Business Strategies

Accessibility: Keyboard Navigation

260. All of the following are common tools used in industry to analyze and develop competitive advantages, except \_\_\_\_\_\_\_\_\_.

A. the Five Forces Model

B. the three generic strategies

**C.** the competitive analysis model

D. value chain analysis

**Feedback:** A competitive analysis model is not discussed in this text.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

261. The process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed is the definition of \_\_\_\_\_\_\_\_\_\_\_.

A. feedback

B. information

**C.** competitive intelligence

D. data

**Feedback:** Competitive intelligence is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

262. Steve Jobs and Apple created a big advantage in the technology industry with the introduction of the iPod, iPhone, and iPad. What are these all examples of?

A. competitive advantage

B. first-mover advantage

**C.** All of these are correct.

D. None of these are correct.

**Feedback:** Steve Jobs and Apple created a big advantage in the technology industry with their products the iPod, iPhone, and iPad. These are examples of competitive advantage, competitive intelligence, and first-mover advantage.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Scrambling: Locked

Accessibility: Keyboard Navigation

263. Which of the following evaluates a project's position?

**A.** SWOT Analysis

B. The Five Forces Model

C. Value Chain Analysis

D. Three Generic Strategies

**Feedback:** A SWOT Analysis evaluates a project's position.

Difficulty: 1 Easy

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

264. What evaluates industry attractiveness?

A. SWOT Analysis

**B.** The Five Forces Model

C. Value Chain Analysis

D. Three Generic Strategies

**Feedback:** The five forces model evaluates industry attractiveness.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Accessibility: Keyboard Navigation

265. What is Porter's Five Forces Model?

A. evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies

**B.** analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry

C. views a firm as a series of business processes, each of which adds value to the product or service

D. generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

**Feedback:** The five forces model analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

266. Paula is the owner and operator of a high-end online custom clothing company. Paula has never heard of Porter’s Five Forces model and she wants to understand why she would perform an analysis using it. If you were tasked with explaining Porter’s Five Forces model to Paula, what would be the primary reason she would want to use this type of analysis?

A. to help Paula choose a clothing business focus

**B.** to help Paula evaluate the attractiveness of the clothing industry

C. to help Paula evaluate and execute business goals

D. All of these are correct.

**Feedback:** One of the three tools company executives often use when analyzing competitive intelligence is the five forces model. This is used to evaluate industry attractiveness.

Difficulty: 3 Hard

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Blooms: Analyze

Scrambling: Locked

Accessibility: Keyboard Navigation

267. Michael Porter defined the Five Forces Model and the potential pressures that can hurt sales. Which of the following is not one of the potential pressures that can hurt sales?

**A.** Suppliers can drive down profits by charging more for supplies.

B. New market entrants can steal potential investment capital.

C. Substitute products can steal customers.

D. Competition can steal customers.

**Feedback:** Michael Porter defined the Five Forces Model. Before formally presenting his model, he identified pressures that can hurt potential sales, which include 1) knowledgeable customers can force down prices by pitting rivals against each other, 2) influential suppliers can drive down profits by charging higher prices for supplies, 3) competition can steal customer, 4) new market entrants can steal potential investment capital, and 5) substitute products can steal customers.

Difficulty: 3 Hard

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Blooms: Analyze

Accessibility: Keyboard Navigation

268. Kevin is an incoming freshman at your college. Kevin is frustrated by the cost of books, tuition, and expenses and he also needs to purchase a rather expensive laptop. In an effort to save money, Kevin organizes a Facebook group with other college students who need to purchase laptops. Soon, Kevin’s Facebook group has close to 100,000 students. Kevin decides to collectively approach different computer companies to see if his group qualifies for a special discount. What business strategy is Kevin using to purchase laptops?

A. collecting business intelligence

B. decreasing entry barriers

C. purchasing a substitute product

**D.** increasing buyer power

**Feedback:** Buyer power is one of Porter's Five Forces, which measures the ability of buyers to affect the price they must pay for an item. Kevin's group is attempting to increase its buyer power.

Difficulty: 3 Hard

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Blooms: Analyze

Accessibility: Keyboard Navigation

269. What are costs that make customers reluctant to switch to another product or service?

A. support activities

**B.** switching costs

C. loyalty rewards

D. value chain activities

**Feedback:** Switching costs are costs that make customers reluctant to switch to another product or service.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

270. Callie owns and operates one of the most successful local coffee shops in Denver called The Edgewater Café. Each time a customer purchases their 100th cup of coffee at The Edgewater Café, they receive a free pound of coffee of their choice. What is Callie attempting to create with her unique "Free Pound of Coffee" marketing program?

**A.** reducing buyer power with a loyalty program

B. increasing buyer power with a loyalty program

C. decreasing supplier power with a differentiated product

D. creating a substitute product

**Feedback:** One way to reduce buyer power is with a loyalty program, which is a program to reward customers based on their spending.

Difficulty: 3 Hard

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Blooms: Analyze

Accessibility: Keyboard Navigation

271. What includes all parties involved, directly or indirectly, in obtaining raw materials or a product?

A. support chain

**B.** supply chain

C. system chain

D. supply choice

**Feedback:** The supply chain includes all parties involved, directly or indirectly, in obtaining raw materials or a product.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

272. Which of the following represents a company in a supply chain?

A. customer and competitor

B. supplier and competitor

C. knowledge worker and supplier

**D.** supplier and customer

**Feedback:** In a typical supply chain, a company will be both a supplier and a customer.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

273. In the center of Porter’s Five Forces model is competition. Which of the following represents the four outer boxes?

A. buyer power, systems power, threat of false entrants, and threat of substitute products or services

B. buyer power, systems power, threat of new entrants, and threat of substitute products or services

**C.** buyer power, supplier power, threat of new entrants, and threat of substitute products or services

D. business power, supplier power, threat of new entrants, and threat of powerful services

**Feedback:** The four competitive forces that work amongst the power of competitors are buyer power, supplier power, threat of new entrants, and threat of substitute products or services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

274. Shawn is on the executive board for ABC pharmaceuticals. The company produces the number one selling cancer-fighting drug on the market. Due to its incredible success, ABC pharmaceuticals has decided to increase the cost of the drug from $8 a pill to $15 a pill. Which force is ABC pharmaceutical using to increase its drug price?

**A.** supplier power

B. buyer power

C. threat of false entrants

D. business power

**Feedback:** Supplier power, one of Porter's five forces, measures the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services).

Difficulty: 3 Hard

Blooms: Apply

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

275. What is one of the most common ways a company can decrease supplier power?

A. charge lower prices

B. charge higher prices

**C.** use MIS to find and create alternative products

D. Companies cannot impact supplier power.

**Feedback:** Using MIS to find alternative products is one way of decreasing supplier power.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

276. If a supplier has high power, what can it do to influence its industry?

A. charge higher prices

B. shift costs to industry participants

C. limit quality or services

**D.** All of these are correct.

**Feedback:** If the supplier power is high, the supplier can influence the industry by 1) charging higher prices, 2) limiting quality or services, and 3) shifting costs to industry participants.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Scrambling: Locked

Accessibility: Keyboard Navigation

277. The Victory Wireless store in Denver is currently offering a fabulous marketing strategy for potential new iPhone customers. Victory Wireless offers customers who purchase an iPhone with a 2-year subscription a free Otter phone case, car charger, earphones, and speakers. In terms of Porter’s Five Forces, what is Victory Wireless attempting to achieve with this marketing strategy?

A. increase buyer power

B. increase substitute products

C. decrease supplier power

**D.** decrease buyer power

**Feedback:** Victory Wireless is attempting to decrease buyer power by offering products at a lower price or competing on price.

Difficulty: 3 Hard

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Blooms: Analyze

Accessibility: Keyboard Navigation

278. Your boss has asked you to analyze the music industry using Porter’s five forces model. Which of the following represents supplier power in the music industry?

**A.** established record labels like EMI, Sony, Universal

B. Walmart, Target, iTunes

C. game systems like Wii, social networks like Facebook

D. Taylor Swift, Beyoncé, The Beatles, The Stones

**Feedback:** An example of supplier power in the music industry includes established record labels like EMI, Sony, and Universal.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

279. Your boss has asked you to analyze the music industry using Porter’s five forces model. Which of the following represents buyer power in the music industry?

A. established record labels like EMI, Sony, Universal

**B.** Walmart, Target, iTunes

C. independent record labels

D. game systems like Wii, social networks like Facebook

**Feedback:** Buyer power in the music industry includes Walmart, Target, and iTunes who purchase music from record labels to sell online and in their stores.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

280. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents supplier power in the soft drink industry?

**A.** Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

C. Zevia Natural Diet Soda begins selling directly over the Internet.

D. vitamin water, fruit juice, coffee

**Feedback:** Supplier power in the soft drink industry is represented by Pepsi.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

281. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents buyer power in the soft drink industry?

A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

**B.** Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

C. Zevia Natural Diet Soda begins selling directly over the Internet.

D. Coke and Pepsi submit bids to the owner of a football stadium for the exclusive sale of their products during games.

**Feedback:** Buyer power in the soft drink industry is represented by Walmart.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

282. What is buyer power?

**A.** the ability of buyers to affect the price they must pay for an item

B. the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

C. high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

D. high when there are many alternatives to a product or service and low when there are few alternatives from which to choose

**Feedback:** Buyer power is the ability of buyers to affect the price they must pay for an item.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

283. What is supplier power?

A. the ability of buyers to affect the price they must pay for an item

**B.** the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

C. high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

D. high when there are many alternatives to a product or service and low when there are few alternatives from which to choose

**Feedback:** Supplier power is the suppliers' ability to influence prices.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

284. What is threat of substitute products or services?

A. the ability of buyers to affect the price they must pay for an item

B. the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

C. high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

**D.** high when there are many alternatives to a product or service and low when there are few alternatives from which to choose

**Feedback:** Threat of substitute products or services is high when there are many alternatives to a product or service and low when there are few alternatives from which to choose.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

285. What is threat of new entrants?

A. the ability of buyers to affect the price they must pay for an item

B. the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

**C.** high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

D. high when there are many alternatives to a product or service and low when there are few alternatives from which to choose

**Feedback:** Threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

286. What is rivalry among existing competitors?

A. the ability of buyers to affect the price they must pay for an item

B. the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services)

C. high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market

**D.** high when competition is fierce in a market and low when competitors are more complacent

**Feedback:** Rivalry is high when competition is fierce in a market and low when competitors are more complacent.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

287. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents rivalry in the soft drink industry?

A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

C. Zevia Natural Diet Soda begins selling directly over the Internet.

**D.** Coke and Pepsi submit bids to the owner of a football stadium for the exclusive sale of their products during games.

**Feedback:** The rivalry between Coke and Pepsi is famous in the soft drink industry.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

288. Your boss has asked you to analyze the music industry using Porter’s five forces model. Which of the following represents the threat of substitute products or services in the music industry?

A. established record labels like EMI, Sony, Universal

B. independent record labels

**C.** game systems like Wii, social networks like Facebook

D. Taylor Swift, Beyoncé, The Beatles, The Stones

**Feedback:** Game systems like Wii and social networks offer alternatives or substitute products to purchasing music for a consumer.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

289. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents a threat of a new entrant in the soft drink industry?

A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

**C.** Zevia Natural Diet Soda begins selling directly over the Internet.

D. vitamin water, fruit juice, coffee

**Feedback:** Zevia Natural Diet Soda represents a new entrant in the soft drink industry.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

290. Your boss has asked you to analyze the soft drink industry using Porter’s five forces model. Which of the following represents a substitute product in the soft drink industry?

A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.

B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.

C. Zevia Natural Diet Soda begins selling directly over the Internet.

**D.** vitamin water, fruit juice, coffee

**Feedback:** Vitamin water, fruit juice, or coffee are all substitute products to a soft drink.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

291. How can a company reduce the threat of substitute products or services?

A. market the product to less than ten customers

B. ignore competitive forces

**C.** offer additional value through wider product distribution

D. offer less value, making the product far more generic and similar to the competition

**Feedback:** One way a company can reduce the threat of substitute products or services is to offer additional value through wider product distribution.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

292. What is a feature of a product or service that customers have come to expect and entering competitors must offer the same if they want to survive?

A. significant barrier

**B.** entry barrier

C. product differentiation

D. entry chain

**Feedback:** Entry barrier is a feature of a product or service that customers have come to expect and entering competitors must offer the same for survival.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

293. Which of the following represents a typical supply chain?

A. company – customers – suppliers

B. company – suppliers – customers

**C.** suppliers – company – customers

D. suppliers – customers – company

**Feedback:** A traditional business supply chain operates like this: supplier – company – customers.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

294. Which one of Porter’s five forces is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market?

**A.** Threat of new entrants

B. Threat of substitute products or services

C. Threat of buyer power

D. Supply chain competition

**Feedback:** Threat of new entrants, one of Porter's five forces, is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

295. Amazon.com uses a customer profiling system whenever a customer visits its website. Using this system, Amazon can offer products tailored to that particular customer’s profile and buying pattern. What is Amazon using to achieve this competitive advantage?

A. rivalry

B. buyer power

**C.** product differentiation

D. substitute product

**Feedback:** Product differentiation is an advantage that occurs when a company develops unique differences in its products with the intent to influence demand.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

296. Your boss has asked you to analyze the airline industry using Porter’s three generic strategies. Which of the following companies are using a differentiation strategy?

A. Southwest, Horizon, Frontier, JetBlue

**B.** British Airways, Singapore Airlines, Virgin Atlantic

C. Sky Taxi – a rent by the hour personal plane service

D. All of these are correct.

**Feedback:** British Airways, Singapore Airlines, and Virgin Atlantic all compete using differentiation strategies.

Difficulty: 3 Hard

Blooms: Apply

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Scrambling: Locked

Accessibility: Keyboard Navigation

297. Imagine you are creating a new product to sell in an up-and-coming market. Which of the following statements indicates that it would be easy for you as the new entrant to compete in this market?

**A.** The threat of new entrants force is high in the up-and-coming market.

B. The threat of new entrants force is low in the up-and-coming market.

C. The threat of new entrants force is impossible to define in the up-and-coming market.

D. All of these are correct, depending on the time of year.

**Feedback:** The threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.

Difficulty: 3 Hard

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Blooms: Analyze

Scrambling: Locked

Accessibility: Keyboard Navigation

298. Imagine you are creating a new product to sell in an up-and-coming market. Which of the following statements indicates that it would be difficult for you to enter this new market?

A. The threat of new entrants force is high in the up-and-coming market.

**B.** The threat of new entrants force is low in the up-and-coming market.

C. The threat of new entrants force is high during the summer months in the up-and-coming market.

D. All of these are correct, depending on the time of year.

**Feedback:** The threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Scrambling: Locked

Accessibility: Keyboard Navigation

299. Which of the following offers an example where Porter’s five forces are mostly strong and competition is high?

**A.** a dog walking business

B. a ski resort

C. a professional hockey team

D. All of these are correct.

**Feedback:** With Porter's five forces model, these are all examples of strong forces, where it increases competition: 1) a single consumer purchasing milk, 2) a company that makes pencils, 3) coffee from McDonalds, 4) a dog walking business, and 5) a coffee shop.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

300. Which of the following offers an example where Porter’s five forces are mostly weak and competition is low?

**A.** an international hotel chain purchasing milk

B. a coffee shop

C. a single consumer purchasing milk

D. a dog walking business

**Feedback:** With Porter's five forces model, these are all examples of weak forces, where it decreases competition: 1) an international hotel chain purchasing milk, 2) a company that makes airline engines, 3) cancer drugs from a pharmaceutical company, 4) a professional hockey team, and 4) the Department of Motor Vehicles.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Scrambling: Locked

Accessibility: Keyboard Navigation

301. Some industries’ competition is much more intense than others. Retail grocery stores such as Kroger, Safeway, and Albertson’s in the United States experience fierce competition and offer similar marketing campaigns to compete. What is this an example of in terms of Porter’s Five Forces?

A. rivalry among new entrants

**B.** rivalry among existing competitors

C. threat of substitute products or services

D. buyer power

**Feedback:** Some industries' competition is much more intense than others. The retail grocery stores such as Kroger, Safeway, Albertson's, and Ralph’s in the United States have fierce competition and similar programs to compete with each other.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Accessibility: Keyboard Navigation

302. Which strategy below helps an organization choose its business focus?

A. SWOT Analysis

B. The Five Forces Model

C. Value Chain Analysis

**D.** Three Generic Strategies

**Feedback:** The three generic strategies help choose the business focus.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

303. John is the CEO of Tech World, a retail store that sells computers, monitors, cameras, televisions and many other electronic products. John and his executive team are meeting to brainstorm new ideas on how to grow the business. One idea is to mimic a competitor’s product that is attempting to sell a new product in a different industry. After performing a Porter’s Five Forces analysis, John determines that all of the forces are high in this new industry. What should John do?

A. explode into the market with an overflow of the product

B. contemplate other products to introduce at the same time in this new market

C. compare the competitor’s prices and offer his product lower in this new market

**D.** not introduce the product because all five forces are strong and this would be a highly risky business strategy

**Feedback:** When the five forces are all strong or high it is a poor business strategy; when the forces are low, this is a great time to execute the business strategy.

Difficulty: 3 Hard

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Blooms: Analyze

Accessibility: Keyboard Navigation

304. What are Porter’s three generic strategies?

A. evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies

B. analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry

C. views a firm as a series of business processes, each of which adds value to the product or service

**D.** generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

**Feedback:** Porter’s three generic strategies are generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service.

Difficulty: 1 Easy

Blooms: Understand

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

305. Broad differentiation, broad cost leadership, and \_\_\_\_\_\_\_\_\_ create the three generic strategies identified by Porter.

A. narrow market leadership

B. high cost versus low cost

**C.** focused strategy

D. None of these are correct.

**Feedback:** The three strategies proposed by Porter are 1) broad cost leadership, 2) broad differentiation, and 3) focused strategy.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Scrambling: Locked

Accessibility: Keyboard Navigation

306. Jennifer is writing a paper and she must determine which of Porter’s three generic strategies The Museum Company has implemented. Jennifer finds out that The Museum Company offers specialty products found only in museums around the world to affluent customers. What would Jennifer determine The Museum Company is using as its generic strategy?

A. broad market, low cost

**B.** narrow market, high cost

C. broad market, high cost

D. narrow market, low cost

**Feedback:** The Museum Company competes using a narrow market and high cost focus.

Difficulty: 3 Hard

Blooms: Analyze

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

307. Your boss has asked you to analyze the airline industry using Porter’s three generic strategies. Which of the following companies are using a focused strategy?

A. Southwest, Horizon, Frontier, JetBlue

B. British Airways, Singapore Airlines, Virgin Atlantic

**C.** Sky Taxi – a rent by the hour personal plane service

D. All of these are correct.

**Feedback:** Sky Taxi is using a focused-strategy targeting individuals that want to hire private planes.

Difficulty: 3 Hard

Blooms: Apply

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Scrambling: Locked

Accessibility: Keyboard Navigation

308. According to Porter, companies that wish to dominate broad markets should operate using a \_\_\_\_\_\_\_\_ strategy.

**A.** cost leadership with a low cost

B. differentiation with a low cost

C. cost leadership with a high cost

D. All of these are correct.

**Feedback:** According to Porter, companies markets should utilize cost leadership with a low cost and differentiation with a high cost.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Scrambling: Locked

Accessibility: Keyboard Navigation

309. Which of the following demonstrates a company that has implemented a low cost, broad market strategy?

A. Neiman Marcus

B. Payless Shoes

C. The Sharper Image

**D.** Walmart

**Feedback:** Walmart competes by offering a broad range of products at low prices. Its business strategy is to be the low-cost provider of goods for the cost-conscious consumer.

Difficulty: 3 Hard

Blooms: Apply

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

310. If a business is following a focused strategy, then its competitive scope is \_\_\_\_\_\_\_\_.

A. broad market

**B.** narrow market

C. broad range products

D. broad range of services

**Feedback:** Focused strategies target a niche or unique market.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

311. Porter identified three generic strategies that a business could follow after identifying a market it wanted to enter. Which of the following is not included as one of Porter’s three generic strategies?

A. broad differentiation

**B.** supplier cost differentiation

C. focused strategy

D. broad cost leadership

**Feedback:** Porter has identified three generic business strategies for entering a new market: 1) broad cost leadership, 2) broad differentiation, and 3) focused strategy.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

312. When analyzing the book store industry, some of today’s businesses compete with different business strategies and cost strategies. Which of the following is using a broad market competitive scope along with a low cost strategy?

**A.** Amazon.com

B. any local independent books store that specializes in antique books

C. Barnes and Noble

D. your college bookstore

**Feedback:** Amazon.com competes by offering a broad range of differentiated products at low prices.

Difficulty: 3 Hard

Blooms: Analyze

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

313. Which of the below is similar to focused strategy versus broad strategy?

A. large market versus leadership

B. large market versus uniqueness

**C.** niche market versus large market

D. niche market versus generic

**Feedback:** Focused strategies versus broad strategies is synonymous to niche market versus large markets.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

314. When analyzing Porter's three generic strategies for entering a market, if you have a focused strategy, what market should you target?

**A.** a niche market

B. a broad market

C. neither niche or broad markets

D. both niche and broad markets

**Feedback:** When analyzing Porter's three generic strategies for entering a market, if you have a focused strategy you should target a narrow market, niche market, or a unique market.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

315. Which of the following offers an example of a company operating in a narrow focused-market operating as the low-cost provider?

A. Walmart.

B. Tiffany and Co.

C. Neiman Marcus

**D.** Payless Shoes

**Feedback:** Payless competes by offering a specific product (narrow market) shoes at low prices. Their strategy is to be the low-cost provider of shoes.

Difficulty: 3 Hard

Blooms: Apply

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

316. Your boss has asked you to analyze the airline industry using Porter’s three generic strategies. Which of the following companies are using a cost leadership strategy?

**A.** Southwest, Horizon, Frontier, JetBlue

B. British Airways, Singapore Airlines, Virgin Atlantic

C. Sky Taxi – a rent by the hour personal plane service

D. All of these are correct.

**Feedback:** Southwest, Horizon, Frontier, and JetBlue all use cost leadership business strategies.

Difficulty: 3 Hard

Blooms: Apply

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Scrambling: Locked

Accessibility: Keyboard Navigation

317. When applying Porter’s three generic strategies, Tiffany and Co. has a competitive scope and cost strategy that is \_\_\_\_\_\_\_\_\_\_.

A. broad market – high cost strategy

B. narrow market – low cost strategy

**C.** narrow market – high cost strategy

D. broad market – low cost strategy

**Feedback:** Tiffany and Co. competes by offering a differentiated product, jewelry, at high prices. Its business strategy allows it to be a high-cost provider of premier designer jewelry to affluent consumers.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

318. What executes business strategy?

A. SWOT Analysis

B. The Five Forces Model

**C.** Value Chain Analysis

D. Three Generic Strategies

**Feedback:** The value chain analysis executes business strategy.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

319. What is a value chain analysis?

A. evaluates an organization’s strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies

B. analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry

**C.** views a firm as a series of business processes, each of which adds value to the product or service

D. generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

**Feedback:** Value chain analysis views a firm as a series of business processes, each of which adds value to the product or service

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

320. When reviewing Porter’s value chain analysis, which of the following provides customer support after the sale of goods and services?

A. inbound logistics

B. outbound logistics

C. operations

**D.** service

**Feedback:** The service activity within the primary value activities will provide customer support after the sale of goods and services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

321. Which of the following represents procurement as part of the support value activities in a value chain analysis?

**A.** purchases inputs such as raw materials, resources, equipment and supplies

B. applies MIS to processes to add value

C. distributes goods and services to customers

D. promotes, prices, and sells products to customers

**Feedback:** Procurement is the process of the support value activity which purchases inputs such as raw materials, resources, equipment, and supplies.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

322. What includes support value activities and primary value activities and is used to determine how to create the greatest possible value for customers?

A. supplier power

B. operations management

C. Porter’s Five Forces Model

**D.** value chain analysis

**Feedback:** The support activity firm infrastructure coupled with the primary value activity of outbound logistics is a part of the Value Chain analysis.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

323. What is a standardized set of activities that accomplishes a specific task?

A. business strategy

B. business outcome

**C.** business process

D. knowledge process

**Feedback:** A business process is a standardized set of activities that accomplish a specific task.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

324. Which of the following analyzes a company’s business processes and is useful for determining how to create the greatest possible value for customers?

A. product analysis

B. primary supplier power

**C.** value chain analysis

D. buyer chain analysis

**Feedback:** The value chain analysis views a firm as a series of business processes that each add value to the product or service.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

325. The goal of value chain analysis is to identify processes in which the firm can add value for the customer and create a competitive advantage for itself, with a \_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_.

A. focused strategy; product differentiation

B. focused strategy; cost advantage

C. cost advantage; primary value activities

**D.** cost advantage; product differentiation

**Feedback:** The goal of value chain analysis is to identify processes in which the firm can add value for the customer and create a competitive advantage for itself, with a cost advantage or product differentiation.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

326. What are the two main categories in a value chain analysis?

A. primary value activities and secondary value activities

**B.** primary value activities and support value activities

C. primary value activities and strengthening value activities

D. None of these are correct.

**Feedback:** The value chain groups a firm’s activities into two categories, primary value activities and support value activities.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Scrambling: Locked

Accessibility: Keyboard Navigation

327. Which of the following is *not* considered a category within the primary value activities in a value chain analysis?

A. inbound logistics

**B.** firm infrastructure

C. operations

D. service

**Feedback:** Primary value activities are found at the bottom of the value chain, these include business processes that acquire raw materials and manufacture, deliver, market, sell, and provide after-sales services.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

328. Which of the following is *not* considered a category within the support value activities in a value chain analysis?

A. technology development

**B.** outbound logistics

C. human resource management

D. firm infrastructure

**Feedback:** Support value activities are found along the top of the value chain and include business processes, such as firm infrastructure, human resource management, technology development, and procurement that support the primary value activities.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

329. What is the support value activity that provides employees with training, hiring, and compensation?

A. procurement

B. operations resource management

**C.** human resource management

D. firm infrastructure

**Feedback:** Human resource management provides employee training, hiring, and compensation.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

330. Sandy works as the Chief Knowledge Officer for Bend Lumbar Company. She has been given the responsibility to create a product or service that will bring an added value to its customers to increase the company’s revenue. Sandy determines that the best value she can add is by creating a service that offers free next day shipping on any order over $50. Where in the value chain is Sandy adding value?

**A.** the primary value activity outbound logistics

B. the primary value activity inbound logistics

C. the primary value activity marketing and sales

D. the primary value activity operations

**Feedback:** Outbound logistics distributes goods and services to customers.

Difficulty: 3 Hard

Blooms: Analyze

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

331. When evaluating the value chain, all of the following are included in the primary value activities *except* \_\_\_\_\_\_\_\_\_.

A. inbound activities

B. operations

C. service

**D.** MIS development

**Feedback:** The primary value activities include 1) inbound logistics, 2) operations, 3) outbound logistics, 4) marketing and sales, and 5) service.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

332. When evaluating the value chain, which of the following is included in the support value activities?

A. inbound activities

B. marketing and sales

**C.** firm infrastructure

D. finance and sales

**Feedback:** The support value activities found along the top of the value chain include 1) firm infrastructure, 2) human resource management, 3) technology development, and 4) procurement.

Difficulty: 1 Easy

Blooms: Remember

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

333. Which of the following decisions does a firm need to make as soon as it has identified the activities from the value chain that are bringing the highest added value to their customers?

A. target high value-adding activities to further enhance their value

B. target low value-adding activities to increase their value

C. perform some combination of the two

**D.** All of these are correct.

**Feedback:** When a firm has identified the activities from the value chain that are bringing the highest added value to their customers, they need to make decisions regarding the competitive advantage by determining whether to 1) target high value-adding activities to further enhance their value, 2) target low value-adding activities to increase their value, and 3) perform some combination of the two.

Difficulty: 2 Medium

Blooms: Understand

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Scrambling: Locked

Accessibility: Keyboard Navigation

334. MIS can add value to both primary activities and support activities in the value chain. Which of the following is NOT an example of a company adding value by the use of MIS in a primary activity?

**A.** Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards program, and other employee benefit items

B. a system for the sales and marketing departments to track specific sales targets and follow up processes

C. an easy electronic survey, similar to the survey monkey, to be sent to the customer right after a service was completed

D. Royal Crest Dairy using their custom order and delivery system through an easily accessible Web portal for the customer to track delivery status

**Feedback:** MIS can add value to both primary and support activities within a business. All are primary activities except Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards program, and other employee benefit items. This is a support value activity.

Difficulty: 3 Hard

Blooms: Analyze

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

335. MIS can add value to both primary and support activities within a business. Which of the following is *not* an example of a company adding value by the use of MIS in a support activity?

**A.** Netflix creating a business strategy for the video rental market that delivers videos via the mail

B. the human resources department creates a tracking system to efficiently reward employees based on their performance

C. Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards program, and other employee benefit items

D. the University of Forks creates a program to automatically order office supplies such as pens and pads of paper for its employees

**Feedback:** MIS can add value to both primary and support activities within a business. All are support activities except for the example, Netflix creating a business strategy for the video rental market that makes renting a movie simplified with their inexpensive, no late fee, quick mail delivery system. This is a primary value activity.

Difficulty: 3 Hard

Blooms: Analyze

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation

336. Describe the information age and the differences between data, information, business intelligence, and knowledge.

**Feedback:** We live in the information age, when infinite quantities of facts are widely available to anyone who can use a computer. The core drivers of the information age include data, information, business intelligence, and knowledge. Data are raw facts that describe the characteristics of an event or object. Information is data converted into a meaningful and useful context. Business intelligence (BI) is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making . Knowledge includes the skills, experience, and expertise, coupled with information and intelligence that creates a person’s intellectual resources. As you move from data to knowledge you include more and more variables for analysis resulting in better, more precise support for decision making and problem solving.

Learning Outcome: 01-01 Describe the information age and the differences among data, information, business intelligence, and knowledge.

Topic: Competing in the Information Age

Difficulty: 3 Hard

Blooms: Analyze

Accessibility: Keyboard Navigation

337. Identify the different departments in a company and why they must work together to achieve success.

**Feedback:** Companies are typically organized by department or functional area such as accounting, finance, human resources, marketing, operations management, and sales. Although each department has its own focus and own data, none can work independently if the company is to operate as a whole. It is easy to see how a business decision made by one department can affect other departments. Functional areas are anything but independent in a business. In fact, functional areas are interdependent. Sales must rely on information from operations to understand inventory, place orders, calculate transportation costs, and gain insight into product availability based on production schedules. For an organization to succeed, every department or functional area must work together sharing common information and not be a “silo.” Information technology can enable departments to more efficiently and effectively perform their business operations.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Analyze

Accessibility: Keyboard Navigation

338. Explain systems thinking and how management information systems enable business communications.

**Feedback:** A system is a collection of parts that link to achieve a common purpose. Systems thinking is a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part. Feedback is information that returns to its original transmitter (input, transform, or output) and modifies the transmitter’s actions. Feedback helps the system maintain stability. Management information systems (MIS) is a business function, like accounting and human resources, which moves information about people, products, and processes across the company to facilitate decision making and problem solving. MIS incorporates systems thinking to help companies operate cross-functionally. For example, to fulfill product orders, an MIS for sales moves a single customer order across all functional areas including sales, order fulfillment, shipping, billing, and finally customer service. Although different functional areas handle different parts of the sale, thanks to MIS, to the customer the sale is one continuous process.

Learning Outcome: 01-02 Explain systems thinking and how management information systems enable business communications.

Topic: The Challenge of Departmental Companies and the MIS Solution

Difficulty: 3 Hard

Blooms: Analyze

Accessibility: Keyboard Navigation

339. Explain why competitive advantages are temporary.

**Feedback:** A competitive advantage is a feature of a product or service on which customers place a greater value than they do on similar offerings from competitors. Competitive advantages provide the same product or service either at a lower price or with additional value that can fetch premium prices. Unfortunately, competitive advantages are typically temporary, because competitors often quickly seek ways to duplicate them. In turn, organizations must develop a strategy based on a new competitive advantage. Ways that companies duplicate competitive advantages include acquiring the new technology, copying business processes, and hiring away employees.

Difficulty: 3 Hard

Learning Outcome: 01-03 Explain why competitive advantages are temporary.

Topic: Identifying Competitive Advantages

Blooms: Analyze

Accessibility: Keyboard Navigation

340. Describe Porter’s Five Forces Model and explain each of the five forces.

**Feedback:** Porter’s Five Forces Model analyzes the competitive forces within the environment in which a company operates, to assess the potential for profitability in an industry. Buyer power is the ability of buyers to affect the price they must pay for an item. Supplier power is the suppliers’ ability to influence the prices they charge for supplies (including materials, labor, and services). Threat of substitute products or services is high when there are many alternatives to a product or service and low when there are few alternatives from which to choose. Threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to entering a market. Rivalry among existing competitors is high when competition is fierce in a market and low when competition is more complacent.

Difficulty: 3 Hard

Learning Outcome: 01-05 Describe Porter’s Five Forces Model and explain each of the five forces.

Topic: The Five Forces Model—Evaluating Industry Attractiveness

Blooms: Analyze

Accessibility: Keyboard Navigation

341. Compare Porter’s three generic strategies.

**Feedback:** Organizations typically follow one of Porter’s three generic strategies when entering a new market: (1) broad cost leadership, (2) broad differentiation, (3) focused strategy. Broad strategies reach a large market segment. Focused strategies target a niche market. Focused strategies concentrate on either cost leadership or differentiation.

Difficulty: 3 Hard

Blooms: Analyze

Learning Outcome: 01-06 Compare Porter’s three generic strategies.

Topic: The Three Generic Strategies—Choosing a Business Focus

Accessibility: Keyboard Navigation

342. Demonstrate how a company can add value by using Porter’s value chain analysis.

**Feedback:** To identify competitive advantages, Michael Porter created value chain analysis, which views a firm as a series of business processes that each add value to the product or service. The goal of value chain analysis is to identify processes in which the firm can add value for the customer and create a competitive advantage for itself, with a cost advantage or product differentiation. The value chain groups a firm’s activities into two categories—primary value activities and support value activities. Primary value activities acquire raw materials and manufacture, deliver, market, sell, and provide after-sales services. Support value activities, along the top of the value chain in the figure, include firm infrastructure, human resource management, technology development, and procurement. Not surprisingly, these support the primary value activities.

Difficulty: 3 Hard

Blooms: Analyze

Learning Outcome: 01-07 Demonstrate how a company can add value by using Porter’s value chain analysis.

Topic: Value Chain Analysis—Executing Business Strategies

Accessibility: Keyboard Navigation