

***Processes, Systems, and Information (Kroenke/McKinney)***

**Chapter 10 The Impact of Web 2.0 and Social Media on Business Processes**

1) Web 2.0 generally refers to a loose grouping of capabilities, technologies, business models, and philosophies.

Answer: TRUE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

2) Web 2.0 began to emerge early in the 2000s as network technologies rapidly matured.

Answer: TRUE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

3) The interfaces of Web 2.0 applications do not change frequently.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

4) Traditional applications are designed to support interaction and communication.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

5) New versions of traditional applications are released more frequently than Web 2.0 applications.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

6) A proprietary accounting and tax software is an example of a Web 2.0 application.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

7) Both users and providers contribute content to Web 2.0 applications.

Answer: TRUE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

8) Mashups are applications that provide standardized interfaces to users.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

9) Social media is any Web application that depends on user-generated content.

Answer: TRUE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

10) Publicly available content created by end users is referred to as user-generated content.

Answer: TRUE

Page Ref: 316

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

11) Web sites such as Facebook, Twitter, and LinkedIn are examples of social media.

Answer: TRUE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

12) Sharing social media sites allow users to collaborate with each other.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

13) Sharing social media sites emphasize user contributions in the form of messages and videos.

Answer: TRUE

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

14) Facebook and LinkedIn are examples of networking media.

Answer: TRUE

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

15) Wikipedia and Digg are examples of sharing social media sites.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

16) Enterprise 2.0 is a label that refers to the business use of Web 2.0.

Answer: TRUE

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

17) Web 2.0 is better suited to support operational processes than dynamic business processes.

Answer: FALSE

Page Ref: 318

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

18) AdWords is a software that Google uses for pay-per-click advertising.

Answer: TRUE

Page Ref: 318

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

19) Companies pay a predetermined price for particular search words with AdWords.

Answer: TRUE

Page Ref: 318

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

20) AdSense is an algorithm used by Google to rank Web pages.

Answer: FALSE

Page Ref: 319

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

21) AdSense searches an organization's Web site and inserts ads that match content on that site.

Answer: TRUE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

22) Google Analytics is an application specifically designed for B2B businesses.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

23) On Google Analytics, the conversion rate is the ratio of the number of customers who visited the site divided by the number who eventually made a purchase.

Answer: FALSE

Page Ref: 320

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

24) Networking social media is used to support promotion processes in organizations.

Answer: TRUE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

25) A social graph is a network of personal interdependencies, such as friendships, common interests, or kinship, on a social media application.

Answer: TRUE

Page Ref: 323

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

26) On collaborative social media sites, users contribute text, votes, documents, questions, answers, and lists in order to work together in both formal and informal groups.

Answer: TRUE

Page Ref: 324

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

27) The outsourcing of a task that traditionally was done by an employee to a large, undefined group of people is referred to as social graphing.

Answer: FALSE

Page Ref: 324

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

28) Businesses use social media to help integrate organizational processes.

Answer: TRUE

Page Ref: 325

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

29) When conducting social media promotions, it is important to develop a reward mechanism to give status to contributors.

Answer: TRUE

Page Ref: 325

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

30) Social capital refers to investments in human knowledge and skills for future profit.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

31) Unlike other forms of capital, the benefits of social capital do not spill over to other processes.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

32) Traditional capital refers to investments into resources such as factories, machines, manufacturing equipment, and the like.

Answer: TRUE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

33) Human capital is the investment in social relations with the expectation of benefits in the marketplace.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

34) Conducting training programs for employees is an example of building social capital.

Answer: FALSE

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

35) Connecting to people with more assets is an objective of the process of building social capital.

Answer: TRUE

Page Ref: 326

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

36) Social media makes the transmission of customer-opinions less reliable.

Answer: FALSE

Page Ref: 327

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Discuss the role of information systems in supporting business processes

37) To an organization, the strength of a relationship is the likelihood that a person or other organization in the relationship will do something that benefits the organization.

Answer: TRUE

Page Ref: 328

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

38) Frequent interactions with people increase social capital.

Answer: TRUE

Page Ref: 329

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

39) The calculation of social capital is more additive than multiplicative.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

40) The number of relationships and relationship strength are factors that contribute to social capital.

Answer: TRUE

Page Ref: 329

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

41) The labor requirements of Web 2.0 applications can be easily estimated.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

42) Web 2.0 applications are most suited for processes that involve financial assets.

Answer: FALSE

Page Ref: 330

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Discuss the role of information systems in supporting business processes

43) Crackpots are users who spread positive information about companies.

Answer: FALSE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

44) Organizations run the risk of unfavorable customer reviews when using Web 2.0 technology.

Answer: TRUE

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Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

45) Mutinous movements are positive actions taken by a group of customers to promote a company or product.

Answer: FALSE

Page Ref: 331

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

46) Responding to user content problems is best reserved for when the problematic content has caused the organization to do something positive as a result.

Answer: TRUE

Page Ref: 331

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5



47) Establishing listening platforms to track mentions of products and brands on social media sites is referred to as crowdsourcing.

Answer: FALSE

Page Ref: 332

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

48) Authenticating users is an ongoing challenge for businesses on the Web.

Answer: TRUE

Page Ref: 332

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

49) \_\_\_\_\_ software is free and constantly changing online software which is designed to support the sharing of user-generated content.

A) Version management

B) Web 2.0

C) SharePoint

D) Traditional

Answer: B

Page Ref: 314

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

50) Which of the following is true about Web 2.0 applications?

A) They are subject to frequent interface changes.

B) They require product licenses.

C) Their content is produced and controlled by site owners.

D) They are designed for one-way communication.

Answer: A

Page Ref: 315

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

51) The Web 2.0 business model relies on \_\_\_\_\_.

- A) software licensing
- B) subscription fees
- C) advertising
- D) content syndication

Answer: C

Page Ref: 315

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

52) Which of the following is an example of traditional licensed software?

- A) MS Office
- B) Twitter
- C) eBay
- D) Google Docs

Answer: A

Page Ref: 315

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

53) Which of the following is an example of a Web 2.0 application?

- A) Facebook
- B) MS Office
- C) TurboTax
- D) Encyclopedia Britannica

Answer: A

Page Ref: 315

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

54) Which of the following statements is true of traditional software applications?

- A) Traditional applications offer software as a free service.
- B) Traditional applications encourage user participation.
- C) Traditional applications offer software as a product for sale.
- D) Traditional applications support interaction and communication.

Answer: C

Page Ref: 315

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

55) Which of the following refers to the point of interaction between the user and the computer?

- A) interface
- B) mashup
- C) Web site
- D) prosumer

Answer: A

Page Ref: 315

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

56) \_\_\_\_\_ combine the output from two or more Web sites into a single user experience.

- A) Mashups
- B) Blogs
- C) Links
- D) Podcasts

Answer: A

Page Ref: 316

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

57) Which of the following is true about mashups?

- A) They keep the point of interaction between the user and the computer constant.
- B) They allow users to create custom interfaces.
- C) They enable traditional software applications to run on-site.
- D) They ensure that software releases are made in a controlled fashion.

Answer: B

Page Ref: 316

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

58) Users who contribute content to a Web 2.0 site are called \_\_\_\_\_.

- A) crowd sources
- B) mashups
- C) prosumers
- D) intermediaries

Answer: C

Page Ref: 316

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

59) Wikipedia is an online encyclopedia based on Web 2.0. The content available on the site is created and managed by its users. The users of Wikipedia are called \_\_\_\_\_.

- A) internal customers
- B) mashups
- C) prosumers
- D) intermediaries

Answer: C

Page Ref: 316

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

60) Social media is any Web application that \_\_\_\_\_.

- A) requires users to create personal accounts
- B) utilizes a static interface and has scheduled releases
- C) relies on product licenses to generate revenue
- D) depends on user-generated content

Answer: D

Page Ref: 316

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

61) Why is social media considered a type of Web 2.0 application?

- A) Social media does not alter the point of interaction between the user and the computer.
- B) Social media promotes one-way communication.
- C) Social media is driven by user-generated content.
- D) Social media uses proprietary technologies to create and manage content.

Answer: C

Page Ref: 316-317

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

62) \_\_\_\_\_ social media sites, such as blogs and YouTube, emphasize contributions from users in the form of messages and videos.

- A) Monitoring
- B) Networking
- C) Sharing
- D) Collaborating

Answer: C

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

63) Which of the following is categorized as a sharing social media site?

- A) Facebook
- B) Twitter
- C) LinkedIn
- D) Foursquare

Answer: B

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

64) Oldfriends.com is a Web site that helps individuals get in touch with their old school and college friends. This Web site would come under which of the following categories of social media?

- A) monitoring media
- B) networking media
- C) sharing social media
- D) collaborating media

Answer: B

Page Ref: 317

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

65) Which of the following would be categorized as a type of networking media?

- A) LinkedIn
- B) Delicious
- C) Wikipedia
- D) YouTube

Answer: A

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

66) Which of the following would be categorized as a type of collaborating media?

- A) LinkedIn
- B) Twitter
- C) YouTube
- D) Delicious

Answer: D

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

67) \_\_\_\_\_ is a mobile Web application that allows registered users to connect with friends and share their location.

- A) LinkedIn
- B) Delicious
- C) Digg
- D) Foursquare

Answer: D

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

68) \_\_\_\_\_ allows users to share votes on Web articles with other users.

- A) Google Docs
- B) Digg
- C) Foursquare
- D) Delicious

Answer: B

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

69) Which of the following enables users to tag Web sites, create lists of sites, and share those lists with other users?

- A) Google Docs
- B) Digg
- C) Foursquare
- D) Delicious

Answer: D

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

70) Enterprise 2.0 refers to \_\_\_\_\_.

- A) traditional software that performs Web 2.0 functions
- B) an earlier version of Web 2.0
- C) the business use of Web 2.0
- D) licensed software based on Web 2.0

Answer: C

Page Ref: 317

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

71) The processes supported by Web 2.0 and social media are typically \_\_\_\_\_.

- A) dynamic processes
- B) procedural activities
- C) day-to-day activities
- D) operational processes

Answer: A

Page Ref: 318

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

72) Which of the following is Google's pay-per-click advertising product?

- A) AdWords
- B) AdCenter
- C) Foursquare
- D) Live Ads

Answer: A

Page Ref: 318

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

73) With AdWords, Google charges advertisers when \_\_\_\_\_.

- A) customers use a search word that the advertiser selected
- B) their advertisements are displayed in Google's search results
- C) customers click on the advertiser's link
- D) their advertisements are converted to a sale or registration

Answer: C

Page Ref: 319

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

74) \_\_\_\_\_ searches an organization's Web site and inserts ads that match content on that site.

- A) AdWords
- B) AdSense
- C) Foursquare
- D) Live Ads

Answer: B

Page Ref: 319

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

75) An organization wants to sell advertising space on its Web site. However, it is unable to find advertisers. Which of the following Web 2.0 applications would be most helpful to this firm?

- A) Foursquare
- B) AdWords
- C) AdSense
- D) Live Ads

Answer: C

Page Ref: 319

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

76) Which of the following is the most important function of Google's AdSense?

- A) adding supportive content such as flash pages in advertisements
- B) matching Web content and advertising content
- C) preventing third party advertisers from using Google search
- D) making Google's search algorithm compatible with social media

Answer: B

Page Ref: 319

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

77) Google Analytics is used to \_\_\_\_\_.

- A) create interactive advertisements
- B) match Web content and advertising content
- C) collect data about Web traffic
- D) facilitate remote networking

Answer: C

Page Ref: 320

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes



78) A book publisher uses an online portal to sell its books. Out of every thousand customers who visit the portal, a hundred read reviews of the books and twenty place orders. What is the conversion ratio of this Web portal?

- A) 0.2
- B) 0.1
- C) 0.001
- D) 0.02

Answer: D

Page Ref: 320

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

79) Online content, such as videos, is said to go viral when it is \_\_\_\_\_.

- A) created using technologies such as digital image processing
- B) published on both offline and online media
- C) published in a wide variety of digital formats
- D) shared and promoted by several individuals on social media outlets

Answer: D

Page Ref: 321

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

80) A \_\_\_\_\_ is a network of personal interdependencies, such as friendships, common interests, or kinship, on a social media application.

- A) mashup
- B) social graph
- C) mutinous movement
- D) crowd source

Answer: B

Page Ref: 323

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

81) \_\_\_\_\_ is the most popular professional networking social media site.

- A) LinkedIn
- B) Facebook
- C) HR.com
- D) Google+

Answer: A

Page Ref: 323

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

82) \_\_\_\_\_ is the outsourcing of a task that traditionally was done by an employee to a large, undefined group of people.

- A) Insourcing
- B) Crowdsourcing
- C) Co-sourcing
- D) Homesourcing

Answer: B

Page Ref: 324

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

83) \_\_\_\_\_ refers to the investment in social relations with the expectation of benefits in the marketplace.

- A) Social capital
- B) Social utility
- C) Social service
- D) Social entrepreneurship

Answer: A

Page Ref: 326

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

84) Traditional capital refers to investments in \_\_\_\_\_.

- A) social relations and networks
- B) employee skills
- C) human knowledge
- D) machines and equipment

Answer: D

Page Ref: 326

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

85) A company creates a Facebook page to improve its public image and connect with its customers. By doing this, the company is attempting to build \_\_\_\_\_.

- A) employee capital
- B) human capital
- C) social capital
- D) traditional capital

Answer: C

Page Ref: 326

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

86) Which of the following is a major objective of building social capital?

- A) ensuring timely delivery of product inputs
- B) streamlining operational processes
- C) reducing the cost of production
- D) connecting to people with more assets

Answer: D

Page Ref: 326

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

87) Which of the following is a measure of the strength of relationships in a company's social network?

- A) the frequency of favors performed by members of the network
- B) the number of relationships that the company has
- C) the number of relationships that each of the members have
- D) the dollar value of the assets that the network's members possess

Answer: A

Page Ref: 326

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

88) Which of the following statements is true about social capital?

- A) The benefits of social capital spill over to other processes.
- B) Social capital flows only from a company to its customers.
- C) Social capital is more additive than multiplicative.
- D) Social capital generates immediate benefits which are visible in process improvements.

Answer: A

Page Ref: 329

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

89) Which of the following is a major management challenge associated with Web 2.0 applications?

- A) Web 2.0 is more suited for operational processes than dynamic business processes.
- B) Web 2.0 applications cannot be used to support a firm's promotional activities.
- C) A company's marketing messages can go viral by using Web 2.0 applications.
- D) Labor requirements are difficult to estimate when using Web 2.0 applications.

Answer: D

Page Ref: 330

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

90) Which of the following is a major risk associated with user-generated content?

- A) The company's digital content creation costs might increase.
- B) The company might receive unfavorable customer reviews.
- C) The company's communication might not reach the intended audience.
- D) The company might unknowingly infringe upon copyright laws.

Answer: B

Page Ref: 330

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

91) An individual uses a company's Facebook page to promote a political party that he supports. He also publishes his views about unrelated topics on the page. This user is called a \_\_\_\_\_.

- A) spambot
- B) hacker
- C) crackpot
- D) phisher

Answer: C

Page Ref: 330

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

92) A company discovers that its Facebook page contains numerous complaints from customers about its products. Which of the following is likely to be the best response to such criticism?

- A) Leave the problematic content as it is in order to lend credibility to the page.
- B) Remove the content immediately to avoid negativity toward the company.
- C) Delete the content and notify the users about the deletion.
- D) Block the publishers of such posts from making further contributions.

Answer: A

Page Ref: 331

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

93) \_\_\_\_\_ are an extension of bad reviews where prosumers revolt and use an organization's site in damaging ways.

- A) Viral attacks
- B) Spoofs
- C) Crackpots
- D) Mutinous movements

Answer: D

Page Ref: 331

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

94) Which of the following should a company delete from its social media page?

- A) anonymous posts
- B) contributions from crackpots
- C) negative product reviews
- D) poor customer feedback

Answer: B

Page Ref: 331

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

95) Establishing listening platforms to track mentions of products and brands on social media is referred to as \_\_\_\_\_.

- A) social responsibility
- B) social media optimization
- C) search engine optimization
- D) social media monitoring

Answer: D

Page Ref: 332

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

96) While passing by one of your favorite restaurants, you receive a tweet from them about "happy hours." This is an example of \_\_\_\_\_.

- A) search-based marketing
- B) internal advertising
- C) search advertising
- D) location-based marketing

Answer: D

Page Ref: 332

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

97) What is Web 2.0?

Answer: Web 2.0 generally refers to a loose grouping of capabilities, technologies, business models, and philosophies. Web 2.0 software is free and constantly changing Web-based software designed to support the sharing of user-generated content.

Page Ref: 314

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

98) Compare and contrast Web 2.0 applications with traditional applications.

Answer:

Characteristic	Web 2.0 Applications	Traditional Applications
Software	Free	Software as a product for sale
Interface	Constant change; frequent updates change the user interface	Few interface changes
Goal	Support interaction and communication	Problem solving, productivity, no user participation
Content	Users and providers contribute content	Providers contribute and control all content
Examples	Google, Facebook, Twitter, Wikipedia	Microsoft Office, TurboTax, Encyclopedia Britannica

Page Ref: 315

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

99) Explain the difference between traditional software and Web 2.0 in terms of their goals.

Answer: The aim of traditional software is to support individual goals—to assist the user in creating documents, performing analyses, monitoring finances, making presentations, keeping track of things, managing projects, and designing products.

In contrast, Web 2.0 is about participation. The software still supports user goals, but the method to support these goals is through two-way communication and interaction. Two-way communication occurs as users send and receive messages. With Web 2.0 applications, users provide reviews, map content, discuss responses, create blog entries, and so forth.

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

100) Explain the difference between traditional software and Web 2.0 in terms of content.

Answer: Traditional site owners produce and control all content. Web 2.0 sites allow users to contribute content. This content might be a simple yes/no vote or a discussion board at the end of a news article. Users who contribute to the site are called prosumers. More than just consuming the data on the site, prosumers take an active role and produce data for other consumers to read.

Page Ref: 316

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

101) What is social media? Explain with the help of examples.

Answer: Social media is any Web application that depends on user-generated content (UGC).

User-generated content is publically available content created by end users. This makes social media a type of Web 2.0 application. Social media also shares the other elements of Web 2.0—free, constantly changing, and designed to support interaction and two-way communication. But what makes these social media applications unique is that they rely 100 percent on user-generated content. Web sites such as Facebook and Twitter are examples of social media.

Page Ref: 316-317

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

102) Compare and contrast sharing social media and networking media with the help of examples.

Answer: Sharing social media sites such as blogs, Twitter, and YouTube emphasize contributions in the form of messages and videos. Compared to networking applications, this type of social media supports the user's need to send messages. In this type of media, the recipient of the message is often unknown to the sender.

Networking media such as Facebook, LinkedIn, and foursquare are used to connect individuals. Rather than sending messages to unfamiliar recipients, here the emphasis, and the attraction, is on belonging. Messages are sent to other known users and received from them.

Page Ref: 317

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

103) What is collaborating media?

Answer: Collaboration is a group process where work is accomplished through feedback and iteration. Collaborating media includes a wide range of platforms such as Wikipedia, StumbleUpon, Digg, Delicious, Google Docs, and Quora. The focus of this type of social media is to support the user's collaboration processes.

Page Ref: 317

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

104) What types of processes are typically supported by Web 2.0 applications?

Answer: The processes supported by Web 2.0 and social media are typically dynamic processes. Although operational processes such as sales and procurement can also be supported by these new information systems, these systems are still somewhat experimental and change their software frequently. Because they are experimental, low cost, easy to use, and flexible, their first uses in business tend to be in support of dynamic processes.

Page Ref: 318

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes



105) Explain the functioning of Google AdWords.

Answer: Google pioneered Web 2.0 advertising with its AdWords software. AdWords is Google's popular pay-per-click advertising product. With AdWords companies pay a predetermined price for particular search words. For example, a university golf course might agree to pay \$2 for the words "golf" and "Colorado." When a customer uses Google to search for those terms, Google will display a link to the university golf course Web site. If the user clicks that link (and only if the user clicks that link), Google charges the golf course account \$2. The golf course pays nothing if the user does not click.

Page Ref: 318-319

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

106) What difficulties do Web sites face in terms of finding advertisers? What role does Google AdSense play in this process?

Answer: Some organizations sell advertising space on their Web sites. Others would like to sell space if the cost of finding advertisers could be reduced. On the traditional Web, banner ads and pop-up ads were the favored method of advertising. Organizations with Web site space had to find advertisers and work out the details of the advertising agreement. This can be a time-consuming process of agreeing to terms, providing images and text, and tracking page loads for each agreement.

Google's AdSense is a Web 2.0 application that makes the process of buying and selling advertisements more efficient. AdSense searches an organization's Web site and inserts ads that match content on that site. When users click those ads, Google pays the Web site owner a fee. The organization that owns the site does not have to maintain a process of finding advertisers.

Page Ref: 319

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

107) Explain how B2C businesses can benefit from using Web 2.0 applications such as Google Analytics.

Answer: Retailers can improve the B2C sales process with Web 2.0 applications. A key activity of the B2C sales process is collecting customer data. This data might include which browser the visitor is using, the visitor's IP address, and if the user eventually purchased from the site. Before Web 2.0, B2C businesses had to write their own code to collect this type of data. Now, B2C sites can download free Google Analytics software to collect Web traffic data. This data includes where the customer came from (from a search engine, another site, etc.), where the customer visited in the site, and the conversion rate, which is the ratio of the number of customers who eventually purchased divided by the number who visited. Analysts can examine this type of data and make changes to the site with the objective of increasing conversion rates. Google Analytics helps companies improve their B2C Sales process as measured by conversion rates.

Page Ref: 320

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss the role of information systems in supporting business processes

108) Explain how social media helps organizations' promotion processes.

Answer: Perhaps the most immediate and profitable way that social media help business is by supporting the process of promotion. Promotion processes have a variety of objectives. One common objective is increasing awareness of the product or service. Social media helps organizations accomplish this objective. Possible measures for this objective are counts of likes, retweets, and downloads.

Page Ref: 321

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

109) Explain how networking social media can be used in an organization's hiring process.

Answer: Networking social media can be used to gather intelligence about potential employees in support of the firm's hiring process. LinkedIn is the most popular professional networking social media site. On the site, users maintain a resume-like profile and a list of connections—people they know. Through LinkedIn, many firms are lowering costs and shortening times needed to post jobs, find candidates, collect recommendations, and make hiring decisions.

Page Ref: 323

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Discuss the role of information systems in supporting business processes

110) What is the difference between traditional capital and human capital?

Answer: Traditional capital refers to investments into resources such as factories, machines, manufacturing equipment, and the like. Human capital is the investment in human knowledge and skills for future profit.

Page Ref: 326

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

111) What is social capital?

Answer: Social capital is the investment in social relations with the expectation of benefits in the marketplace. Building social capital is a dynamic process that is vital to the firm.

Page Ref: 326

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

112) What are the benefits of building social capital?

Answer: Social capital has three benefits for a business. Relationships in social networks can provide a business with data about opportunities, alternatives, problems, and other factors important to business professionals. They also provide an opportunity to influence decision makers and to increase the influence of the organization in the industry. Third, being linked to a network of highly regarded contacts is a form of social credential. Others will be more inclined to work with you if they believe critical personnel are standing with you and may provide resources to support you.

Page Ref: 326

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

113) What are the three objectives of building social capital?

Answer: Building social capital is a process that has three objectives:

(1) Increase the number of relationships in a social network.

(2) Increase the strength of those relationships.

(3) Connect to those with more assets.

Page Ref: 326

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

114) What is meant by "the strength of a relationship" in the context of social capital? How can an organization use social media to strengthen its relationships?

Answer: To an organization, the strength of a relationship is the likelihood that a person or other organization in the relationship will do something that benefits the organization. An organization has a strong relationship with you if you buy its products, write positive reviews about it, post pictures of you using the organization's products or services, and so on. Social media provide three forms of value: data, influence, and social credentials. If an organization can induce those in its relationships to provide more of any of those factors, it has strengthened that relationship.

Page Ref: 328

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

115) List the major risks associated with user content.

Answer: The major risks associated with user content are (1) junk and crackpots, (2) inappropriate content, (3) unfavorable reviews, (4) mutinous movements, (4) dependency on the social media vendor.

Page Ref: 330-331

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

116) What is location-based marketing?

Answer: Location-based marketing integrates customer location data into marketing activities. Organizations send offers to customers who are geographically closer to them.

Page Ref: 332

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

### ***Processes, Systems, and Information (Kroenke/McKinney)***

#### **Chapter 11 Business Intelligence**

1) A business intelligence system is an information system that supports business processes by consolidating and analyzing data in a large database to help users create information.

Answer: TRUE

Page Ref: 342

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Compare and contrast different business intelligence systems

2) Analyzing patterns in databases is a function of business intelligence.

Answer: TRUE

Page Ref: 343

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Compare and contrast different business intelligence systems

3) Business intelligence refers to an information system that supports a process called informing.

Answer: TRUE

Page Ref: 343

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

4) An informing process is separated from the other processes in an organization.

Answer: FALSE

Page Ref: 343

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

5) Analyzing operational data is the first activity in the informing process.

Answer: FALSE

Page Ref: 344

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

6) The analysis activity in the reporting process is sophisticated and complex.

Answer: FALSE

Page Ref: 345

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

7) The reporting process creates unstructured reports.

Answer: FALSE

Page Ref: 345

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

8) The data mining process has the same activities as the reporting process.

Answer: TRUE

Page Ref: 347

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

9) One of the applications of the data mining process is to predict products that tend to be purchased together.

Answer: TRUE

Page Ref: 347

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

10) A data warehouse is a special type of database configured for business intelligence applications.

Answer: TRUE

Page Ref: 348

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

11) A digital dashboard is an electronic medium used to output data in the reporting process.

Answer: TRUE

Page Ref: 348

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

12) Noninteractive analyses use a predetermined structure for their output.

Answer: TRUE

Page Ref: 348

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

13) RFM analysis produces interactive reports to analyze purchasing patterns.

Answer: FALSE

Page Ref: 350

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

14) An RFM analysis analyzes and ranks customers based on demographic characteristics.

Answer: FALSE

Page Ref: 350

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

15) An RFM analysis considers how recently a customer has ordered and how much the customer has spent.

Answer: TRUE

Page Ref: 350

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

16) An RFM score of 555 (R=5; F=5; M=5, on a scale of 1-5) indicates that the customer frequently purchases expensive items.

Answer: FALSE

Page Ref: 351

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

17) In an RFM analysis conducted on a scale of 1 to 5, an M score of 5 is assigned to 20 percent of the customers who spend the least on orders.

Answer: TRUE

Page Ref: 351

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

18) Online analytical processing is a common term used for noninteractive reporting.

Answer: FALSE

Page Ref: 351

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

19) OLAP provides the ability to analyze data using basic operations such as sorting, grouping, calculating, filtering, and formatting.

Answer: TRUE

Page Ref: 351

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

20) An OLAP measure is the item that is to be summed, averaged, or otherwise processed in the OLAP report.

Answer: TRUE

Page Ref: 352

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems



21) With an OLAP report, it is possible to drill down into data.

Answer: TRUE

Page Ref: 352

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

22) The primary objective of a reporting process is predicting patterns and relationships in data.

Answer: FALSE

Page Ref: 354

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

23) Data mining analyses are noninteractive.

Answer: FALSE

Page Ref: 354

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

24) The data mining process uses advanced statistical techniques to find patterns and relationships among data for classification and prediction.

Answer: TRUE

Page Ref: 354

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

25) Cluster analysis is a common form of analysis used in the reporting process.

Answer: FALSE

Page Ref: 354

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

26) Regression analysis is a type of data mining analysis that measures the impact of a set of variables on another variable.

Answer: TRUE

Page Ref: 355

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

27) Regression analysis is used in sports to predict future performance.

Answer: TRUE

Page Ref: 355

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

28) Market basket analysis is a technique used to form an equation that predicts market behavior.

Answer: FALSE

Page Ref: 355

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

29) Market basket analysis is a technique used to determine sales patterns.

Answer: TRUE

Page Ref: 355

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

30) A decision tree is a hierarchical arrangement of criteria that predict a classification or a value.

Answer: TRUE

Page Ref: 356

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

31) With unsupervised data mining, analysts create a model or hypothesis before running the analysis .

Answer: FALSE

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

32) Regression analysis is an example of unsupervised data mining.

Answer: FALSE

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

33) Postselection analysis is an example of supervised data mining.

Answer: FALSE

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

34) Supervised data analysis is also known as data-driven analysis.

Answer: FALSE

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

35) A BI server is used by an analyst to analyze data and produce the output.

Answer: TRUE

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Compare and contrast different business intelligence systems

36) BI software varies based on the analysis method used.

Answer: TRUE

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Compare and contrast different business intelligence systems

37) A data warehouse is specially designed to sort and retrieve large volumes of data.

Answer: TRUE

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Compare and contrast different business intelligence systems

38) BI metadata is data about the source of the data, its format, its assumptions and constraints, and other facts about the data.

Answer: TRUE

Page Ref: 359

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Compare and contrast different business intelligence systems

39) The methods of interactions in BI depend on the user's objectives and the nature of the BI system.

Answer: TRUE

Page Ref: 359

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Compare and contrast different business intelligence systems

40) Problematic data that is presented for business intelligence is called clustered data.

Answer: FALSE

Page Ref: 359

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

41) Data is said to be nonintegrated when it contains missing elements.

Answer: FALSE

Page Ref: 360

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

42) Granularity refers to the inconsistencies and missing values that exist within data.

Answer: FALSE

Page Ref: 360

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

43) Clickstream data is used to track everything the customer does at a Web site.

Answer: TRUE

Page Ref: 360

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

44) BI analysts often know much more about a BI system than the processes it supports.

Answer: TRUE

Page Ref: 361

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

45) Visualization is the live or indirect view of the real world augmented by computer-based data.

Answer: FALSE

Page Ref: 362

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Compare and contrast different business intelligence systems

46) Augmented reality is a mashup of the real world supplemented by data about the objects in that world.

Answer: TRUE

Page Ref: 362

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Compare and contrast different business intelligence systems

47) Oracle is an example of a pure-play BI company.

Answer: FALSE

Page Ref: 363

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 8

Course LO: Compare and contrast different business intelligence systems

48) Online transactional processing is the equivalent of strategic decision making.

Answer: FALSE

Page Ref: 364

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 8

Course LO: Compare and contrast different business intelligence systems

49) The operational data collected by SAP is known as Business Objects.

Answer: FALSE

Page Ref: 364

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 8

Course LO: Compare and contrast different business intelligence systems

50) SAP analysis of data is called online analytical processing (OLAP).

Answer: TRUE

Page Ref: 364

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 8

Course LO: Compare and contrast different business intelligence systems

51) A credit card provider uses a software to determine the likelihood of customers defaulting on their payments. The software assigns a credit score to each customer based on their past transactional records. This software is an example of a(n) \_\_\_\_\_ system.

- A) project management
- B) business intelligence
- C) collaboration
- D) budgeting

Answer: B

Page Ref: 342

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

Course LO: Compare and contrast different business intelligence systems

52) Which of the following statements is true about business intelligence systems?

- A) They help identify patterns in mountains of data.
- B) Their use by private organizations is restricted by law.
- C) They require highly trained analysts to uncover data patterns.
- D) They are expensive to acquire due to the rising cost of data storage.

Answer: A

Page Ref: 343

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Compare and contrast different business intelligence systems

53) Which of the following is NOT true about the informing process?

- A) It is integrated with another process and supports other processes.
- B) It does not require BI systems.
- C) It is used to provide insight to users and improve the quality of their information.
- D) It cannot be standardized.

Answer: D

Page Ref: 344

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

54) Which of the following is the first activity in the informing process?

- A) storing data in a data warehouse
- B) collecting data
- C) transforming data into a usable format
- D) creating information from the output

Answer: B

Page Ref: 344

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

55) Which of the following activities of the informing process is typically performed by end-users?

- A) storing data in a data warehouse
- B) collecting data
- C) preparing a data warehouse
- D) creating information from the output

Answer: D

Page Ref: 344

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

56) Which of the following statements is true of the reporting process?

- A) It is generally accomplished with just operational data.
- B) It creates unstructured reports and delivers them to users.
- C) It involves the use of sophisticated statistical techniques.
- D) Its objective is better prediction.

Answer: A

Page Ref: 345

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems



57) An organization uses a business intelligence system to predict products that tend to be purchased together. This is an example of a(n) \_\_\_\_\_ process.

- A) reporting
- B) extracting
- C) evaluating
- D) data mining

Answer: D

Page Ref: 347

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

58) Which of the following is true regarding the data mining process?

- A) It uses interactive and noninteractive analyses.
- B) Its activities are entirely different from those in the reporting process.
- C) It uses simple statistical techniques for data analysis.
- D) Its objective is better prediction.

Answer: D

Page Ref: 347

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

59) Which of the following types of analyses is used in the reporting process?

- A) market basket analysis
- B) RFM analysis
- C) cluster analysis
- D) regression analysis

Answer: B

Page Ref: 347

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

60) The special type of database configured for business intelligence applications is called a \_\_\_\_\_.

- A) data warehouse
- B) data matrix
- C) data array
- D) data set

Answer: A

Page Ref: 348

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

61) A digital dashboard is a(n) \_\_\_\_\_.

- A) electronic input device used in business intelligence systems
- B) information system that is used to enter data into databases
- C) electronic display that is customized for a particular user
- D) digital device in the central processing unit of a BI system

Answer: C

Page Ref: 348

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

62) Noninteractive analyses \_\_\_\_\_.

- A) use advanced statistical techniques
- B) allow users to specify the format of the output
- C) use a predetermined structure for their output
- D) tend to be unstructured and flexible

Answer: C

Page Ref: 348

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

63) A(n) \_\_\_\_\_ analysis analyzes and ranks customers according to their purchasing patterns.

- A) regression
- B) cluster
- C) RFM
- D) market basket

Answer: C

Page Ref: 350

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

64) Which of the following statements is true about RFM analysis?

- A) It ranks customers based on their purchasing power.
- B) It is a common type of noninteractive report.
- C) It uses unsorted data to produce an RFM score.
- D) It identifies groups of entities that have similar characteristics.

Answer: B

Page Ref: 350

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

65) Which of the following is the major difference between OLAP and RFM analysis?

- A) OLAP sorts data to derive conclusions whereas RFM analysis does not.
- B) OLAP is used during the data preparation stage of the reporting process whereas RFM analysis is used during the analysis stage.
- C) OLAP uses the basic analysis operations of grouping and filtering whereas RFM analysis does not.
- D) OLAP produces interactive reports whereas RFM analysis produces noninteractive reports.

Answer: D

Page Ref: 350-351

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

66) The supermarket from which Robert purchases groceries gives him an RFM score of 115 (R=1; F=1; M=5, on a scale of 1 to 5). Based on this information, which of the following is a valid conclusion?

- A) Robert recently made a big purchase at the supermarket.
- B) Robert does not shop frequently at the supermarket.
- C) Robert has not purchased anything from the supermarket recently.
- D) Robert frequently purchases inexpensive items from the supermarket.

Answer: D

Page Ref: 350-351

Difficulty: Moderate

AACSB: Use of information technology; Analytic skills

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

67) An RFM score of 555 (R=5; F=5; M=5, on a scale of 1 to 5) assigned to a customer indicates that the customer \_\_\_\_\_.

- A) buys expensive items frequently
- B) has not purchased anything recently but buys frequently
- C) has not purchased anything recently
- D) buys inexpensive items frequently

Answer: C

Page Ref: 351

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

68) In an RFM analysis, what will be the M score of a customer who spends the least amount of money, when rated on a scale of 1 to 5?

- A) 5
- B) 1
- C) 0
- D) 2

Answer: A

Page Ref: 351

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

69) \_\_\_\_\_ provides the ability to analyze data using basic operations such as sorting, grouping, calculating, filtering, and formatting in an interactive structure.

- A) OLAP
- B) RFM analysis
- C) Market basket analysis
- D) Regression analysis

Answer: A

Page Ref: 351

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

70) Drilling down into data means \_\_\_\_\_.

- A) changing the format of stored data
- B) grouping data into clusters
- C) dividing the data into more detail
- D) downsizing a database by deleting files

Answer: C

Page Ref: 352

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

71) An OLAP measure is a(n) \_\_\_\_\_.

- A) characteristic of an OLAP report
- B) data item to be processed in an OLAP report
- C) attribute of an OLAP report
- D) detailed report on a data structure

Answer: B

Page Ref: 352

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

72) An OLAP \_\_\_\_\_ is a characteristic or attribute of a measure.

- A) cube
- B) dimension
- C) dashboard
- D) cluster

Answer: B

Page Ref: 352

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

73) An OLAP report that displays information using three dimensions is called an OLAP \_\_\_\_\_.

- A) warehouse
- B) dashboard
- C) cluster
- D) cube

Answer: D

Page Ref: 352

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

74) Cluster analysis is an example of a(n) \_\_\_\_\_ process.

- A) data mining
- B) online analytical
- C) reporting
- D) visualization

Answer: A

Page Ref: 354

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

75) \_\_\_\_\_ analysis uses statistical techniques to identify groups of entities that have similar characteristics.

- A) Market basket
- B) RFM
- C) Cluster
- D) Regression

Answer: C

Page Ref: 354

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

76) \_\_\_\_\_ analysis is a type of data mining analysis which measures the impact of a set of variables on another variable.

- A) Market basket
- B) RFM
- C) Cluster
- D) Regression

Answer: D

Page Ref: 355

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

77) Regression analysis is used to \_\_\_\_\_.

- A) rank customers according to their purchasing patterns
- B) predict future performance
- C) identify groups of entities that have similar characteristics
- D) perform basic operations

Answer: B

Page Ref: 355

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

78) \_\_\_\_\_ analysis determines sales patterns such as products that customers tend to buy together.

- A) RFM
- B) Cluster
- C) Regression
- D) Market basket

Answer: D

Page Ref: 355

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

79) A retail store wants to identify the types of products that they should bundle together on sale. Which of the following types of analysis would be most suitable for this purpose?

- A) market basket
- B) RFM
- C) cluster
- D) OLAP

Answer: A

Page Ref: 355

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

80) Selling related products to customers is called \_\_\_\_\_.

- A) hard-selling
- B) down-selling
- C) up-selling
- D) cross-selling

Answer: D

Page Ref: 356

Difficulty: Easy

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems



81) Max visits a local electronics store to buy a new laptop. After deciding on a certain brand and model, the sales assistant also convinces him to buy a wireless router and a thumb drive. This situation is an example of \_\_\_\_\_.

- A) hard-selling
- B) down-selling
- C) cross-selling
- D) up-selling

Answer: C

Page Ref: 356

Difficulty: Moderate

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

82) A \_\_\_\_\_ is a hierarchical arrangement of criteria that predict a classification or a value.

- A) decision tree
- B) taxonomy
- C) cluster
- D) dashboard

Answer: A

Page Ref: 356

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

83) Decision tree analysis is also called \_\_\_\_\_ because at each step the analysis divides itself into groups.

- A) cluster analysis
- B) transactional processing
- C) recursive partitioning
- D) data-driven analysis

Answer: C

Page Ref: 357

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

84) With \_\_\_\_\_, analysts do not create a model or hypothesis before running the analysis.

- A) interactive analytical processing
- B) unsupervised data mining
- C) supervised data mining
- D) noninteractive analytical processing

Answer: B

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

85) Which of the following is an example of supervised data mining?

- A) regression analysis
- B) cluster analysis
- C) decision trees
- D) market basket analysis

Answer: A

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

86) With \_\_\_\_\_, analysts develop a model prior to the analysis and apply statistical analyses to the data to estimate parameters of the model.

- A) interactive analytical processing
- B) unsupervised data mining
- C) supervised data mining
- D) noninteractive analytical processing

Answer: C

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

87) Which of the following systems is considered a subset of BI?

- A) RSS
- B) CIS
- C) AI
- D) DSS

Answer: D

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Compare and contrast different business intelligence systems

88) Which of the following statements is true of a BI system?

- A) A BI server is capable of delivering output in a variety of formats.
- B) Operational databases are not typically used by BI systems.
- C) Data collected for BI systems are not stored in data warehouses.
- D) General-purpose BI software is used irrespective of the analysis method employed.

Answer: A

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Compare and contrast different business intelligence systems

89) Data that are problematic for business intelligence are termed \_\_\_\_\_.

- A) clustered data
- B) intrinsic data
- C) dirty data
- D) granular data

Answer: C

Page Ref: 359

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

90) An organization uses SAP financial management software to store accounting details and Microsoft CRM software to record customer transactions. Managers face problems when they have to make decisions based on both sets of data, as the data are stored on two different platforms. Such data are referred to as \_\_\_\_\_ data.

- A) nonintegrated
- B) coarse
- C) granular
- D) inconsistent

Answer: A

Page Ref: 360

Difficulty: Moderate

AACSB: Use of information technology; Analytic skills

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

91) Granularity refers to the \_\_\_\_\_.

- A) problems that persist within data
- B) level of detail of the data
- C) inconsistencies within data
- D) patterns derived from operational data

Answer: B

Page Ref: 360

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

92) \_\_\_\_\_ data include everything a customer does at a Web site.

- A) Real-time
- B) Clickstream
- C) Keystroke
- D) Digital

Answer: B

Page Ref: 360

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

93) Which of the following BI-related problems is commonly associated with organizational leaders?

- A) mistaking data for information
- B) resisting BI use because the system may change their jobs
- C) underestimating the cost of producing a BI report
- D) overselling the potential of a BI system

Answer: D

Page Ref: 361

Difficulty: Moderate

AACSB: Use of information technology; Analytic skills

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

94) \_\_\_\_\_ is the creation of images or diagrams that communicate a message.

- A) Dashboarding
- B) Simulation
- C) Visualization
- D) Augmented reality

Answer: C

Page Ref: 362

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Compare and contrast different business intelligence systems

95) A sales manager uses a bar chart to describe sales projections to his associates. This chart is an example of \_\_\_\_\_.

- A) dashboarding
- B) visualization
- C) simulation
- D) augmented reality

Answer: B

Page Ref: 362

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 7

Course LO: Compare and contrast different business intelligence systems

96) Which of the following refers to a mashup of the real world, supplemented by computer-based data about the objects in that world?

- A) real-time computing
- B) visualization
- C) clickstream data
- D) augmented reality

Answer: D

Page Ref: 362

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Compare and contrast different business intelligence systems

97) Which of the following is a pure-play BI company?

- A) SAP
- B) Oracle
- C) IBM
- D) SAS

Answer: D

Page Ref: 363

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 8

Course LO: Compare and contrast different business intelligence systems

98) Which of the following companies is an emerging vendor in the BI market?

- A) SAS
- B) MicroStrategy
- C) Information Builder
- D) PivotLink

Answer: D

Page Ref: 364

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 8

Course LO: Compare and contrast different business intelligence systems

99) The collection of operational process data that SAP uses is referred to as \_\_\_\_\_.

- A) online analytical processing
- B) Business Objects
- C) Crystal Reports
- D) online transactional processing

Answer: D

Page Ref: 364

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 8

Course LO: Compare and contrast different business intelligence systems

100) What is a business intelligence system?

Answer: A business intelligence system is an information system that supports business processes by consolidating and analyzing data in a large database to help users create information.

Page Ref: 342

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Compare and contrast different business intelligence systems

101) Briefly describe the informing process.

Answer: Most generally, BI is the IS that supports a process called informing. In the informing process, an actor, typically a person, seeks to become informed. An informing process is integrated with another process and supports the other processes. It is a process within a process. The objectives of the informing process are typically to provide insight to users and to improve the quality of their information.

Page Ref: 343-344

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

102) List the major activities in the informing process.

Answer: The following are the major activities in the informing process:

- (1) Collecting data
- (2) Preparing and storing data
- (3) Analyzing data
- (4) Outputting data
- (5) Creating information from data

Page Ref: 344

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

103) Briefly describe the features of the reporting process.

Answer: The reporting process creates structured reports and delivers those reports to users. The analysis of the data is simple: Data are sorted and grouped, and simple totals and averages are calculated using operations such as sorting, grouping, and summing. The objective of the reporting process is most often better assessment.

Page Ref: 345

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

104) Briefly describe the data mining process.

Answer: The data mining process has the same activities as the reporting process. However, in the analysis activity the statistics used are much more sophisticated and complex. In most cases, the objective of data mining is better prediction.

Page Ref: 347

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different business intelligence systems

105) List the five basic operations that a reporting process uses to analyze data.

Answer: A reporting process uses five basic operations to analyze data: sorting, grouping, calculating, filtering, and formatting.

Page Ref: 348

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

106) What is an RFM analysis?

Answer: An RFM analysis analyzes and ranks customers according to their purchasing patterns. RFM considers how recently (R) a customer has ordered, how frequently (F) a customer has ordered, and how much money (M) the customer has spent.

Page Ref: 350

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems



107) Explain how an RFM score is calculated on a scale of 1 to 5.

Answer: To produce an RFM score, the RFM analysis first sorts customer purchase records by the date of their most recent (R) purchase. The 20 percent of the customers having the most recent orders are given an R score of 1, the 20 percent of the customers having the next most recent orders are given an R score of 2, and so forth, down to the last 20 percent, who are given an R score of 5.

The RFM analysis then re-sorts the customers on the basis of how frequently they order. The 20 percent of the customers who order most frequently are given an F score of 1, the next 20 percent of most frequently ordering customers are given a score of 2, and so forth, down to the least frequently ordering customers, who are given an F score of 5.

Finally, the analysis sorts the customers again according to the amount spent on their orders. The 20 percent who have ordered the most expensive items are given an M score of 1, the next 20 percent are given an M score of 2, and so forth, down to the 20 percent who spend the least, who are given an M score of 5.

Page Ref: 350-351

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

108) What are interactive analyses?

Answer: Interactive analyses use the same basic analysis operations of sorting, grouping, and filtering, but, as the name implies, allows the user to use these operations interactively; that is, the user or analyst can experiment with one method of analysis, interpret the output, and then go back and reanalyze the data. Interactive options allow the end user to change both the analysis and the structure of the output.

Page Ref: 351

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

109) What is OLAP?

Answer: The most common term used for interactive reporting is online analytical processing (OLAP). OLAP provides the ability to analyze data using the basic operations—sorting, grouping, calculating, filtering, and formatting—in an interactive structure. An OLAP report is similar to interacting with a search engine.

Page Ref: 351

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

110) What are the measures and dimensions of an OLAP report?

Answer: An OLAP report has measures and dimensions. An OLAP measure is the data item of interest. It is the item that is to be summed or averaged or otherwise processed in the OLAP report. Total sales, average sales, and average cost are examples of measures.

An OLAP dimension is a characteristic or attribute of a measure. Purchase date, customer type, customer location, and sales region are all examples of dimensions.

Page Ref: 352

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different business intelligence systems

111) What is cluster analysis?

Answer: One common form of analysis is cluster analysis. With it, statistical techniques identify groups of entities that have similar characteristics. A common use for cluster analysis is to find groups of similar customers from customer order and demographic data.

Page Ref: 354

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

112) Explain regression analysis with the help of an example.

Answer: Regression analysis is a type of data mining analysis that measures the impact of a set of variables on another variable. For example, suppose marketing experts in a communications company believe that cell phone usage on weekends is determined by the age of the customer and the number of months the customer has had the cell phone account. A sample regression result for the cell phone example is given below:

CellphoneWeekendMinutes = 12 + (17.5 \* CustomerAge) + (23.7 \* NumberMonthsOfAccount)

Page Ref: 355

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

113) Briefly describe the decision tree technique.

Answer: A decision tree is a hierarchical arrangement of criteria that predict a classification or a value. Using decision tree analyses an analyst sets up a computer program and provides the data to analyze, and the decision tree program produces the tree. The basic idea of a decision tree is to select attributes that are most useful for classifying entities on some criterion.

Page Ref: 356

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

114) What is the difference between unsupervised data mining and supervised data mining?

Answer: With unsupervised data mining, analysts do not create a model or hypothesis before running the analysis. Instead, they apply the data mining software to the data and observe the results. With this method, analysts create hypotheses after the analysis in order to explain the patterns found.

With supervised data mining, analysts develop a model prior to the analysis and apply statistical analyses to the data to estimate parameters of the model. Regression analysis is an example of supervised data mining.

Page Ref: 358

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Compare and contrast different business intelligence systems

115) Briefly describe the hardware and software used in BI systems.

Answer: The key piece of hardware in a BI system is a BI server. A BI server is used by an analyst to analyze the data and produce the output. A BI server can deliver output in a variety of formats.

BI software varies based on the analysis method used. Most special-purpose BI software packages can support either reporting or data mining analysis. Some general-purpose software, such as Excel, can also be used for either reporting or data mining. Some specialized BI software might do just one or the other.

Page Ref: 358

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Compare and contrast different business intelligence systems

116) How is data collected and stored in a BI system?

Answer: Data can be collected for a BI system in two ways. First, the data may come from an operational database that contains the data from the operational processes in a company. Second, data may come from other sources that are then combined with operational process data. In either case, once the data are collected they are then prepared and stored in a data warehouse, a repository for the organization's BI data. BI data are kept in a data warehouse because a data warehouse is specially designed to make sorting and retrieving large volumes of data efficient.

Page Ref: 358

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 5

Course LO: Compare and contrast different business intelligence systems

117) Describe the data problems associated with BI systems.

Answer: Most operational and purchased data have problems that inhibit their usefulness. When using operational data, some data may be incomplete and must be prepared before it can be analyzed. Problematic data are termed dirty data.

Purchased data often contain missing elements. Most data vendors state the percentage of missing values for each attribute in the data they sell. An organization buys such data because for some uses some data are better than no data at all. For BI applications, though, a few missing or erroneous data points can be worse than no data at all because they bias the analysis.

Inconsistent data is particularly common for data that have been gathered over time. Another problem is nonintegrated data. Data can also have the wrong granularity. Granularity is the level of detail of the data, and it can be too fine or too coarse.

Page Ref: 360

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Compare and contrast different business intelligence systems

118) What is visualization and augmented reality?

Answer: Visualization is the creation of images or diagrams that communicate a message.

Simple examples include bar charts and infographics. Advances in visualization technologies that enable user interaction and animation will expand the use of BI.

In a similar way, augmented reality will also lead to more widespread use of BI. Augmented reality is the live or indirect view of the real world augmented by computer-based data. It is a mashup of the real world supplemented by data about the objects in that world.

Page Ref: 362

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Compare and contrast different business intelligence systems

119) Name the four large diverse software firms that sell BI software.

Answer:

(1) SAP - Business Objects and Crystal Reports

(2) Oracle - Hyperion

(3) IBM - Cognos and SPSS

(4) Microsoft

Page Ref: 364

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 8

Course LO: Compare and contrast different business intelligence systems

### ***Processes, Systems, and Information (Kroenke/McKinney)***

## **Chapter 12 MIS Management Processes: Process Management, Systems Development,**

## **and Security**

1) BPM is a recurring process for systematically monitoring, modeling, creating, and implementing business processes.

Answer: TRUE

Page Ref: 378-379

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

2) Managers evaluate process measures against their objectives and respond to changes in the business climate during the modeling activity of BPM.

Answer: FALSE

Page Ref: 379

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

3) New process modeling is not necessary if a process change involves only alterations in human resources.

Answer: TRUE

Page Ref: 380

Difficulty: Easy

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

4) Designing system components is the first step in the SDLC process.

Answer: FALSE

Page Ref: 384

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

5) Technical feasibility refers to whether existing information technology is likely to be able to meet the needs of a new information system.

Answer: TRUE

Page Ref: 385

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

6) Organizational feasibility refers to whether a new information system is economically feasible for an organization.

Answer: FALSE

Page Ref: 385

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

7) Business analysts work primarily with systems development, but they are also involved in business processes.

Answer: FALSE

Page Ref: 385

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

8) Systems analysts are IS professionals who understand both business and technology.

Answer: TRUE

Page Ref: 385

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

9) With regard to people, design involves developing role job descriptions.

Answer: TRUE

Page Ref: 388

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

10) Tasks in the implementation activity of the SDLC process are to build and test system components and to convert users to the new system and possibly new business processes.

Answer: TRUE

Page Ref: 388

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

11) A test plan is an informal description of how an information system's components should be tested.

Answer: FALSE

Page Ref: 388

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

12) The term system conversion refers to the process of testing software.

Answer: FALSE

Page Ref: 388

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

13) With pilot installation, an organization implements a limited portion of a new business process on the entire organization.

Answer: FALSE

Page Ref: 388

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

14) With parallel installation, a new information system/business process is installed in phases across an organization.

Answer: FALSE

Page Ref: 389

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

15) Parallel installation is also called direct installation.

Answer: FALSE

Page Ref: 389

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

16) The work done during the maintenance activity of the SDLC process is either to fix the system or to adapt it to changes in requirements.

Answer: TRUE

Page Ref: 389

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

17) Information systems security is the process of protecting information systems vulnerabilities from threats by creating appropriate safeguards.

Answer: TRUE

Page Ref: 392

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

18) As a source of security vulnerabilities, malicious human activity includes physical accidents.

Answer: FALSE

Page Ref: 392

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

19) Pretexting is social engineering in which someone gains unauthorized access to a computer without the user's knowledge.

Answer: FALSE

Page Ref: 393

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

20) Phishing is a social engineering technique for obtaining unauthorized data via e-mail pretexting.

Answer: TRUE

Page Ref: 393

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security



21) IP spoofing is a situation in which a computer registers on a network without using an IP address.

Answer: FALSE

Page Ref: 394

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

22) Sniffing is a technique for intercepting computer communications.

Answer: TRUE

Page Ref: 394

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

23) Hacking occurs when a person gains unauthorized access to a computer system.

Answer: TRUE

Page Ref: 394

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

24) Denial-of-service attacks involve the sending of anonymous e-mails to users.

Answer: FALSE

Page Ref: 394

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

25) Natural disasters present the largest risk for infrastructure loss.

Answer: TRUE

Page Ref: 394

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

26) Establishing security policies is a security function of senior management.

Answer: TRUE

Page Ref: 396

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe different methods of managing IS security

27) Safeguards are protections against security vulnerabilities.

Answer: TRUE

Page Ref: 396

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe different methods of managing IS security

28) Balancing the risks and costs of a security system is the responsibility of system developers.

Answer: FALSE

Page Ref: 397

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe different methods of managing IS security

29) Systems use user names to authenticate users.

Answer: FALSE

Page Ref: 398

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

30) A smart card has a magnetic strip.

Answer: FALSE

Page Ref: 398

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

31) Biometric authentication uses personal physical characteristics to authenticate users.

Answer: TRUE

Page Ref: 398

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

32) A key is a number used to encrypt data.

Answer: TRUE

Page Ref: 399

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

33) Two different keys are used for coding and decoding in symmetric encryption.

Answer: FALSE

Page Ref: 399

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

34) A public key is used for decoding messages in asymmetric encryption.

Answer: FALSE

Page Ref: 400

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

35) Most secure communication over the Internet uses a protocol called HTTP.

Answer: FALSE

Page Ref: 400

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

36) With HTTPS, data are encrypted using a protocol called the Transmission Control Protocol.

Answer: FALSE

Page Ref: 400

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

37) A firewall is a computing device that prevents unauthorized network access.

Answer: TRUE

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

38) Worms are viruses that masquerade as useful programs or files.

Answer: FALSE

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

39) Worms are specifically programmed to spread, and they spread faster than other virus types.

Answer: TRUE

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

40) Adware is a program that is installed on a system after seeking the user's permission.

Answer: FALSE

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

41) A bot is a computer program that is surreptitiously installed and takes actions unknown and uncontrolled by the computer's owner or administrator.

Answer: TRUE

Page Ref: 402

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

42) The practice of keeping a copy of an encryption key with a trusted party is referred to as key escrow.

Answer: TRUE

Page Ref: 403

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

43) Documenting position sensitivity enables security personnel to prioritize their activities in accordance with possible risks and losses.

Answer: TRUE

Page Ref: 404

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

44) Organizations should not use security considerations as a criterion for hiring employees.

Answer: FALSE

Page Ref: 404

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

45) Account management concerns the modification of existing account permissions and the removal of unneeded accounts.

Answer: TRUE

Page Ref: 405

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

46) Passwords are the primary means of authentication for information systems.

Answer: TRUE

Page Ref: 405

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

47) Switching between two passwords periodically will increase system security.

Answer: FALSE

Page Ref: 406

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

48) A cold site is a utility company that can take over another company's processing with no forewarning.

Answer: FALSE

Page Ref: 408

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

49) Hot sites are cheaper to lease than cold sites.

Answer: FALSE

Page Ref: 408

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

50) An incident response plan includes how employees are to respond to security problems, whom they should contact, the reports they should make, and steps they can take to reduce further loss.

Answer: TRUE

Page Ref: 408

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

51) During the \_\_\_\_\_ activity of BPM, managers evaluate process measures against their objectives and respond to changes in the business climate.

A) component creation

B) monitoring

C) modeling

D) process implementation

Answer: B

Page Ref: 379

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

52) During the modeling activity of BPM, teams build an as-is model which \_\_\_\_\_.

- A) simulates the ideal situation
- B) designs new business processes
- C) documents the current situation
- D) models the ideal behavior of team members

Answer: C

Page Ref: 380

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

53) Which of the following is the first activity in the SDLC process?

- A) design system components
- B) determine requirements
- C) define the system
- D) develop technical safeguards

Answer: C

Page Ref: 384

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

54) Which of the following is the last activity in the SDLC process?

- A) implement the system
- B) test the system
- C) create system components
- D) maintain the system

Answer: D

Page Ref: 384

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

55) \_\_\_\_\_ feasibility concerns whether the new system fits within the customs, culture, charter, or legal requirements of a firm.

- A) Economical
- B) Technical
- C) Schedule
- D) Organizational

Answer: D

Page Ref: 385

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

56) A firm considers a proposal for the implementation of a supply chain management system. After evaluating the proposal, the directors of the firm conclude that the system is not in line with the firm's culture and customs. This system lacks \_\_\_\_\_ feasibility.

- A) economic
- B) technical
- C) schedule
- D) organizational

Answer: D

Page Ref: 385

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

57) During the integrated testing and conversion phase of the SDLC process, the project team will be heavy with \_\_\_\_\_.

- A) business analysts
- B) programmers
- C) business users
- D) process specialists

Answer: C

Page Ref: 385

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects



58) Which of the following is true of systems analysts?

- A) They integrate the work of programmers, testers, and users.
- B) They work primarily with business processes.
- C) They are active mainly during the system conversion phase of the systems development process.
- D) They focus on information systems development and lack knowledge on process design.

Answer: A

Page Ref: 385

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

59) Which of the following is the most important activity in the systems development process?

- A) defining the system
- B) maintaining the system
- C) designing the system's components
- D) determining the system's requirements

Answer: D

Page Ref: 386

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

60) Which of the following is a valid observation of determining the requirements of an information system?

- A) Determining system requirements is the final step in the SDLC process.
- B) Systems analysts interview users and record the results to determine system requirements.
- C) System requirements are determined after making a basic design of the system.
- D) Existing systems are typically not used as a source for determining system requirements.

Answer: B

Page Ref: 386

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

61) A(n) \_\_\_\_\_ is a formal description of a system's response to use and misuse scenarios.

- A) test plan
- B) as-is model
- C) digital certificate
- D) code injection

Answer: A

Page Ref: 388

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

62) The term system conversion refers to the phase in which an organization \_\_\_\_\_.

- A) designs the software for a new system
- B) installs a new system
- C) tests a new system
- D) designs the hardware of a new system

Answer: B

Page Ref: 388

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

63) With \_\_\_\_\_ installation, organizations implement an entire system/business process on a limited portion of the business.

- A) parallel
- B) phased
- C) pilot
- D) plunge

Answer: C

Page Ref: 388

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

64) Dorex Manufacturing builds an ERP system to streamline its business activities. After being tested, the company implements the system only in the procurement department. This is an example of \_\_\_\_\_ installation.

- A) parallel
- B) phased
- C) pilot
- D) plunge

Answer: C

Page Ref: 388

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

65) With \_\_\_\_\_ installation, a new system/business process is installed in stages across an organization.

- A) parallel
- B) pilot
- C) plunge
- D) phased

Answer: D

Page Ref: 389

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

66) With \_\_\_\_\_ installation, a new system/business process is installed and operated alongside the old system until the new system is tested and fully operational.

- A) parallel
- B) pilot
- C) plunge
- D) phased

Answer: A

Page Ref: 389

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

67) Charko Chemicals is a firm that supplies chemicals to pharmaceutical companies in the United States. The company implements Oracle SCM to reduce its operational costs. Even after the implementation of the SCM system, the company does not shut down the old system and runs both the systems simultaneously. This is an example of \_\_\_\_\_ installation.

- A) plunge
- B) pilot
- C) phased
- D) parallel

Answer: D

Page Ref: 389

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

68) With \_\_\_\_\_ installation, an organization shuts off the old system/business process and starts the new one.

- A) parallel
- B) pilot
- C) plunge
- D) phased

Answer: C

Page Ref: 389

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

69) An organization purchases SAP's ERP system. After customizing the system and training employees, the organization shuts down the old system and implements the new one across all business processes. This is an example of \_\_\_\_\_ installation.

- A) parallel
- B) plunge
- C) pilot
- D) phased

Answer: B

Page Ref: 389

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

70) Which of the following is a disadvantage of building information systems before business processes?

- A) Some aspects of business processes are unlikely to be considered when the system is constructed first.
- B) System requirements cannot be collected if systems are developed before business processes.
- C) Organizations will lose focus on building hardware and software if information systems are built first.
- D) Organizations will lose focus on data procedures and training if information systems are developed first.

Answer: A

Page Ref: 392

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different methods for developing information systems

71) As a source of security vulnerabilities, malicious human activity includes \_\_\_\_\_.

- A) poorly designed procedures
- B) intentional destruction of data
- C) physical accidents
- D) poorly written applications

Answer: B

Page Ref: 393

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

72) \_\_\_\_\_ refers to social engineering in which someone deceives by pretending to be someone else.

- A) Pretexting
- B) Spyware
- C) Sniffing
- D) Denial-of-service

Answer: A

Page Ref: 393

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

73) \_\_\_\_\_ is a social engineering technique in which a person pretends to be a legitimate company and sends e-mails requesting confidential data.

- A) Phishing
- B) Spyware
- C) Sniffing
- D) Denial-of-service

Answer: A

Page Ref: 393

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

74) You receive an e-mail from a reputed company claiming that it will pay you a large sum of money if you provide your bank account details. Later, you identify that the e-mail was not sent by the company. This e-mail is an example of \_\_\_\_\_.

- A) sniffing
- B) spyware
- C) phishing
- D) denial-of-service

Answer: C

Page Ref: 393

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

75) A group of intruders accessed RK Bank's IP address and accepted payments on the bank's behalf. This attack is an example of \_\_\_\_\_.

- A) sniffing
- B) spyware
- C) spoofing
- D) denial-of-service

Answer: C

Page Ref: 394

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

76) Which of the following is a technique for intercepting computer communications?

- A) phishing
- B) sniffing
- C) keystroke logging
- D) pretexting

Answer: B

Page Ref: 394

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

77) \_\_\_\_\_ occurs when a person gains unauthorized access to a computer system.

- A) Phishing
- B) Pretexting
- C) Digital footprinting
- D) Hacking

Answer: D

Page Ref: 394

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

78) A malicious hacker flooded an online retailer's server with millions of bogus service requests. Due to this, the Web site's server was overloaded and the site was unable to service legitimate customer requests. This attack is an example of which of the following security threats?

- A) spoofing
- B) sniffing
- C) phishing
- D) denial-of-service

Answer: D

Page Ref: 394

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

79) An organization protects important information by using passwords. This is an example of a \_\_\_\_\_ safeguard.

- A) procedural
- B) data
- C) software
- D) hardware

Answer: B

Page Ref: 396

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe different methods of managing IS security

80) Account administration and systems procedures are examples of \_\_\_\_\_ safeguards.

- A) data
- B) hardware
- C) human
- D) software

Answer: C

Page Ref: 396

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe different methods of managing IS security

81) Which of the following is NOT an element of computer security?

- A) System owners should not have computer security responsibilities outside their own organizations.
- B) Computer security responsibilities and accountability should be made explicit.
- C) Computer security is constrained by societal factors.
- D) Computer security should be periodically reassessed.

Answer: A

Page Ref: 397

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 5

Course LO: Describe different methods of managing IS security



- 82) Which of the following is a valid difference between a password and user name?
- A) A password is used to encode information whereas a user name is used to decode information.
  - B) A user name is more complex compared to a password.
  - C) A user name identifies the user whereas a password authenticates the user.
  - D) A user name is a primary authentication measure whereas a password is a secondary authentication measure.

Answer: C

Page Ref: 398

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

- 83) Which of the following is true about biometric authentication?
- A) It uses personal physical characteristics for authentication.
  - B) It is less invasive than other methods of authentication.
  - C) It uses a microchip loaded with identifying data to authenticate users.
  - D) It provides weak authentication compared to other methods.

Answer: A

Page Ref: 398

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

- 84) A number used to encrypt data is called a(n) \_\_\_\_\_.

- A) signature
- B) key
- C) bot
- D) escrow

Answer: B

Page Ref: 399

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

85) \_\_\_\_\_ is the process of transforming clear text into coded, unintelligible text for secure storage or communication.

- A) Code injection
- B) Pretexting
- C) Encryption
- D) Authentication

Answer: C

Page Ref: 399

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

86) In the case of \_\_\_\_\_, the same key is used to encode and to decode a message.

- A) asymmetric encryption
- B) digital signatures
- C) symmetric encryption
- D) digital certificates

Answer: C

Page Ref: 399

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

87) With asymmetric encryption, \_\_\_\_\_.

- A) separate keys are used for encoding and decoding
- B) encryption and decryption occur at the same time
- C) the same key is used to encode and to decode messages
- D) microchips loaded with identifying data are used to authenticate users

Answer: A

Page Ref: 399

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

- 88) Which of the following is a difference between a public key and a private key?
- A) A private key is used for encoding messages, and a public key is used for decoding them.
  - B) A public key is used in asymmetric encryption, whereas a private key is used in symmetric encryption.
  - C) A public key is used in symmetric encryption, whereas a private key is used in asymmetric encryption.
  - D) A public key is used for encoding messages, and a private key is used for decoding them.

Answer: D

Page Ref: 400

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

- 89) With HTTPS, data are encrypted using a protocol called the \_\_\_\_\_.

- A) Transmission Control Protocol
- B) Secure Socket Layer
- C) File Transfer Protocol
- D) Extensible Messaging Layer

Answer: B

Page Ref: 400

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

- 90) \_\_\_\_\_ are an encryption technique that is used to protect against spoofing of public keys.

- A) Socket layers
- B) Bot herders
- C) Firewalls
- D) Digital certificates

Answer: D

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

91) A \_\_\_\_\_ is a computing device or a program that prevents unauthorized network access.

- A) firewall
- B) payload
- C) bot
- D) hot site

Answer: A

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

92) A virus is a computer program that \_\_\_\_\_.

- A) observes the user's actions and keystrokes
- B) replicates itself
- C) encrypts data
- D) prevents unauthorized network access

Answer: B

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

93) \_\_\_\_\_ are viruses that masquerade as useful programs or files.

- A) Spyware programs
- B) Worms
- C) Spoofs
- D) Trojan horses

Answer: D

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

94) A(n) \_\_\_\_\_ is a virus that propagates using the Internet or other computer networks and is specifically programmed to spread.

- A) adware program
- B) escrow
- C) worm
- D) Trojan horse

Answer: C

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

95) \_\_\_\_\_ are installed on a user's computer without the user's knowledge or permission. They reside in the background and, unknown to the user, observe the user's actions and keystrokes and report the user's activities to sponsoring organizations.

- A) Spyware programs
- B) Firewalls
- C) Worms
- D) Trojan horses

Answer: A

Page Ref: 401

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

96) A(n) \_\_\_\_\_ is a computer program that is surreptitiously installed and that takes actions unknown and uncontrolled by the computer's owner or administrator.

- A) firewall
- B) bot
- C) spoof
- D) escrow

Answer: B

Page Ref: 402

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

97) Which of the following is a code injection technique used to infect sites such as discussion forums?

- A) Trojan horse attacks
- B) SQL injection attacks
- C) cross-site scripting
- D) denial-of-service attacks

Answer: C

Page Ref: 403

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

98) Key escrow refers to the practice of \_\_\_\_\_.

- A) keeping a copy of the encryption key with a trusted party
- B) creating a public key and a private key
- C) allowing all employees to share a private key
- D) including multiple characters and symbols in an encryption key

Answer: A

Page Ref: 403

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 6

Course LO: Describe different methods of managing IS security

99) Which of the following backup procedures is associated with system users?

- A) prepare for loss of system functionality
- B) operate data center equipment
- C) backup administrative data
- D) know tasks to perform during system recovery

Answer: A

Page Ref: 407

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

100) A \_\_\_\_\_ is a utility company that takes over another company's processing with no forewarning.

- A) botnet
- B) hot site
- C) bot herder
- D) cold site

Answer: B

Page Ref: 408

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

101) What is BPM? What are the basic activities in BPM?

Answer: Business process management (BPM) is a recurring process for systematically monitoring, modeling, creating, and implementing business processes. The basic activities are: (1) monitoring process measures, (2) modeling processes, (3) creating components, and (4) implementing processes.

Page Ref: 378

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss the role of information systems in supporting business processes

102) Briefly explain the modeling activity of BPM.

Answer: During the modeling activity of BPM, business users who have expertise and are involved in a process adjust and evaluate those models. Usually teams build an as-is model that documents the current situation and then change that model to make adjustments necessary to solve process problems. After constructing the as-is model, the process management team then models alternatives.

Page Ref: 380

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 1

Course LO: Discuss best practices for selecting, evaluating, and managing information systems projects

103) List the activities in the SDLC process.

Answer: The activities in the SDLC process are as follows: (1) define the system, (2) determine requirements, (3) design system components, (4) create, test, and implement the system, and (5) maintain the system.

Page Ref: 384

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

104) Briefly describe the requirements determination stage of the SDLC process.

Answer: Determining the system's requirements is the most important activity in the systems development process. If the requirements are determined completely and correctly, then design and implementation will be easier and more likely to result in success. Typically, systems analysts interview users and record the results in some consistent manner. Seasoned and experienced systems analysts know how to conduct interviews to bring such requirements to light.

Sources of requirements include existing systems as well as the forms, reports, queries, and application features and functions desired in the new system. Security is another important category of requirements.

Page Ref: 386

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

105) Briefly describe the tasks in the implementation activity of the SDLC process.

Answer: Tasks in the implementation activity are to build and test system components and to convert users to the new system and possibly new business processes. Developers construct each of the components independently. They obtain, install, and test hardware. They license and install off-the-shelf programs; they write adaptations and custom programs, as necessary. They construct a database and fill it with data. They document, review, and test procedures, and they create training programs. Finally, the organization hires and trains needed personnel.

Page Ref: 388

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

106) What is the difference between pilot installation and phased installation?

Answer: With pilot installation, the organization implements the entire system/business process on a limited portion of the business. The advantage of pilot implementation is that if the system fails, the failure is contained within a limited boundary.

With phased installation, the new system/business process is installed in phases across the organization(s). Once a given piece works, then the organization installs and tests another piece of the system, until the entire system has been installed. Some systems are so tightly integrated that they cannot be installed in phased pieces. Such systems must be installed using other installation techniques.

Page Ref: 388-389

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems



107) What is the difference between parallel installation and plunge installation?

Answer: With parallel installation, the new system/business process runs in parallel with the old one until the new system is tested and fully operational. Parallel installation is expensive, because the organization incurs the costs of running both existing and new systems/business process. Users must work double-time to run both systems. Then, considerable work is needed to reconcile results of the new with the old.

With plunge installation, the organization shuts off the old system/business process and starts the new one. If the new system/process fails, the organization is in trouble. Nothing can be done until either the new system/process is fixed or the old system/process is reinstalled. Because of the risk, organizations should avoid this conversion style if possible. The one exception is if the new system is providing a new capability that will not disrupt the operation of the organization if it fails.

Page Ref: 389

Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 2

Course LO: Compare and contrast different methods for developing information systems

108) Discuss the approach of designing business processes before building information systems.

Answer: In the business process first approach, organizations will engage in business process management and construct system components in the create components activity of the BPM cycle. This approach works well for the business processes that are being constructed because the requirements for that system are taken from those processes. However, this approach will cause problems later for other processes that could use the same information system.

Page Ref: 390

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 3

Course LO: Compare and contrast different methods for developing information systems

109) What are the major sources of security vulnerabilities?

Answer: A security vulnerability is a potential challenge to the integrity of information systems from one of three sources: human error and mistakes, malicious human activity, and natural events and disasters.

Page Ref: 392

Difficulty: Easy

AACSB: Use of information technology

Chapter LO: 4

Course LO: Describe different methods of managing IS security

110) What is meant by pretexting and phishing?

Answer: Pretexting is social engineering in which someone deceives by pretending to be someone else. Phishing is another social engineering technique for obtaining unauthorized data via e-mail pretexting. The phisher pretends to be a legitimate company and sends an e-mail requesting confidential data, such as account numbers, Social Security numbers, account passwords, and so forth.

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Difficulty: Easy

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Course LO: Describe different methods of managing IS security

111) What is spoofing? What are the two types of spoofing?

Answer: Spoofing is another term for someone pretending to be someone else. If you pretend to be your professor, you are spoofing your professor. IP spoofing occurs when an intruder uses another site's IP address as if it were that other site. E-mail spoofing is a synonym for phishing.

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Difficulty: Easy

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112) What is hacking?

Answer: Hacking occurs when a person gains unauthorized access to a computer system. Although some people hack for the sheer joy of doing it, other hackers invade systems for the malicious purpose of stealing or modifying data. Computer criminals invade computer networks to obtain critical data or to manipulate the system for financial gain.

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113) In the context of information systems, what is meant by safeguards?

Answer: Safeguards are protections against security vulnerabilities. A good way to view safeguards is in terms of the five components of an information system. Some of the safeguards involve computer hardware and software. Some involve data; others involve procedures and people. In addition to these safeguards, organizations must also consider disaster-recovery safeguards. An effective security program consists of a balance of safeguards of all these types.

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Difficulty: Easy

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114) Briefly describe management's role in information systems security.

Answer: Management has a crucial role in information systems security. Management sets the security policy, and only management can balance the costs of a security system against the risk of security vulnerabilities.

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Difficulty: Easy

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115) What is biometric authentication? What are its advantages and disadvantages?

Answer: Biometric authentication uses personal physical characteristics such as fingerprints, facial features, and retinal scans to authenticate users. Biometric authentication provides strong authentication, but the required equipment is expensive. Often, too, users resist biometric identification because they feel it is invasive. Biometric authentication is in the early stages of adoption. Because of its strength, it likely will see increased usage in the future. It is also likely that legislators will pass laws governing the use, storage, and protection requirements for biometric data.

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Difficulty: Moderate

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116) Differentiate between symmetric encryption and asymmetric encryption.

Answer: In symmetric encryption, the same key is used to encode and decode messages. With asymmetric encryption, two keys are used; one key encodes the message, and the other key decodes the message. Symmetric encryption is simpler and much faster than asymmetric encryption.

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Difficulty: Easy

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117) Briefly describe a virus, a Trojan horse, and a worm.

Answer: A virus is a computer program that replicates itself. Ultimately, a virus consumes the computer's resources. Trojan horses are viruses that masquerade as useful programs or files. A typical Trojan horse appears to be a computer game, an MP3 music file, or some other useful innocuous program.

A worm is a virus that propagates using the Internet or other computer network. Worms spread faster than other virus types because they are specifically programmed to spread. Unlike non-worm viruses, which must wait for the user to share a file with a second computer, worms actively use the network to spread. Sometimes, worms so choke a network that it becomes unusable.

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Difficulty: Moderate

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Chapter LO: 6

Course LO: Describe different methods of managing IS security

118) Explain the importance of position definitions in information security.

Answer: In general, job descriptions should provide a separation of duties and authorities. For example, no single individual should be allowed to approve expenses, write checks, and account for the disbursement. Instead, one person should approve expenses, another person pay them, and a third account for the transaction.

Given appropriate job descriptions, users' computer accounts should give users the least possible privilege necessary to perform their jobs. For example, users whose job description does not include modifying data should be given accounts with read-only privilege. Similarly, user accounts should prohibit users from accessing data they do not need.

Finally, the security sensitivity should be documented for each position. Some jobs involve highly sensitive data. Other positions involve no sensitive data. Documenting position sensitivity enables security personnel to prioritize their activities in accordance with the possible risk and loss.

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Difficulty: Moderate

AACSB: Use of information technology

Chapter LO: 7

Course LO: Describe different methods of managing IS security

119) Differentiate between a hot site and a cold site.

Answer: An organization must create backups for critical resources at remote processing centers. A hot site is a utility company that can take over another company's processing with no forewarning. Hot sites are expensive; organizations pay \$250,000 or more per month for such services. Cold sites, in contrast, provide computers and office space. They are cheaper to lease, but customers install and manage systems themselves. The total cost of a cold site, including all customer labor and other expenses, might not necessarily be less than the cost of a hot site.

Once the organization has backups in place, it must train and rehearse cutover of operations from the primary center to the backup. In the case of a hot site, employees must know how to ensure the handoff occurred without a problem, how to run systems while the hot site is active, and how to recover processing when the primary site is again operational. For cold sites, employees must know how to apply backups, how to start systems, and how to run systems from the cold site location.

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