1. Which of the following is NOT a service provided by GrubHub?
   A. 24/7 customer service
   B. Coupons
   C. **Recommending healthy options**
   D. Restaurant reviews

   **Answer:** C
   Difficulty: Medium
   Section: Opening Case
   Learning Objective: 1, 4
   Bloom: Knowledge
   AACSB: Information technology

2. Which of the following is NOT a benefit of GrubHub to restaurants?
   A. accurately predicting demand
   B. **commission percentage**
   C. free tablet
   D. managing orders

   **Answer:** B
   Difficulty: Easy
   Section: Opening Case
   Learning Objective: 1, 4
   Bloom: Knowledge
   AACSB: Information technology

3. __________ is a competitor of GrubHub.
   A. Amazon
   B. Boost
   C. Eat24
   D. Seamless

   **Answer:** B
   Difficulty: Medium
   Section: Opening Case
   Learning Objective: 1, 4
   Bloom: Knowledge
   AACSB: Information technology
4. A competitive advantage refers to any ___________ that provide an organization with an edge against its ___________ in some measure such as cost, quality, or speed.
   A. assets; competitors
   B. assets; customers
   C. costs; competitors
   D. costs; customers
   **Answer: A**
   Difficulty: Easy
   Section: Introduction
   Learning Objective: 4
   Bloom: Knowledge
   AACSB: Information technology

5. __________ information system can be strategic ___________.
   A. Any; because technology always provides an advantage
   B. Any; if it is used properly
   C. No; since everyone has access to technology
   D. No; when it is customized
   **Answer: A**
   Difficulty: Easy
   Section: Introduction
   Learning Objective: 4
   Bloom: Knowledge
   AACSB: Information technology

6. Which of the following is NOT a fundamental element of a business process?
   A. Feedback
   B. Input
   C. Output
   D. Resources
   **Answer: A**
   Difficulty: Easy
   Section: Business Processes
   Learning Objective: 1
   Bloom: Knowledge
   AACSB: Information technology

7. __________ are materials, services, and information that flow through and are transformed as a result of process activities.
   A. Inputs
   B. Outputs
   C. Processes
   D. Resources
   **Answer: A**
   Difficulty: Easy
   Section: Business Processes
8. An order from a customer is a(n) _________ for a business process.
   A. Feedback
   B. Input
   C. Output
   D. Resource
   Answer: A
   Difficulty: Medium
   Section: Business Processes
   Learning Objective: 1
   Bloom: Comprehension, Application
   AACSB: Information technology

9. When a customer receives a product, this is a(n) _________ for a business process.
   A. Feedback
   B. Input
   C. Output
   D. Resource
   Answer: C
   Difficulty: Medium
   Section: Business Processes
   Learning Objective: 1
   Bloom: Comprehension, Application
   AACSB: Information technology

10. The manufacturing equipment a company purchases is a(n) _________ for a business process.
    A. Feedback
    B. Input
    C. Output
    D. Resource
    Answer: D
    Difficulty: Medium
    Section: Business Processes
    Learning Objective: 1
    Bloom: Comprehension, Application
    AACSB: Information technology

11. Which of the following is an example of an efficiency metric?
    A. Good work environment
    B. Helpful customer service
    C. High-quality products
    D. Short customer wait-times
12. Procurement is NOT completed in this functional area:
   A. Accounting
   B. Purchasing
   C. Sales
   D. Warehouse
   Answer: C
   Difficulty: Hard
   Section: Business Processes
   Learning Objective: 1
   Bloom: Knowledge
   AACSB: Information technology

13. Fulfillment is triggered in the _________ department.
   A. Accounting
   B. Purchasing
   C. Sales
   D. Warehouse
   Answer: C
   Difficulty: Easy
   Section: Business Processes
   Learning Objective: 1
   Bloom: Knowledge
   AACSB: Information technology

14. Information systems do NOT play a vital role in _________.
   A. capturing and storing process data
   B. executing business processes
   C. monitoring process performance
   D. All of the above
   Answer: D
   Difficulty: Easy
   Section: Business Processes
   Learning Objective: 1
   Bloom: Knowledge
   AACSB: Information technology

15. RFID tags and bar codes are used in which process?
   A. capturing and storing process data
   B. executing a process
16. Dashboards are used in which process?
   A. capturing and storing process data  
   B. executing a process  
   C. monitoring process performance  
   D. all of the above  
   **Answer: A**  
   Difficulty: Hard  
   Section: Business Processes  
   Learning Objective: 1  
   Bloom: Knowledge, Application  
   AACSB: Information technology

17. NASCAR’s pre-race inspection is a __________.  
   A. Business process  
   B. Reengineering tool  
   C. Response to societal pressure  
   D. Strategic advantage  
   **Answer: A**  
   Difficulty: Easy  
   Section: NASCAR Uses IT in Its Pre-Race Inspection  
   Learning Objective: 1  
   Bloom: Knowledge  
   AACSB: Information technology

18. Which of the following is TRUE of NASCAR’s pre-race inspection app?  
   A. It makes it easier for race car drivers to ensure their cars pass inspection the first time.  
   B. It probably met with little resistance from people who were used to the tedious paper forms.  
   C. Officials can annotate violations with digital notes and photographs.  
   D. The dashboard makes it easy to quickly enter violations into the system.  
   **Answer: C**  
   Difficulty: Medium  
   Section: NASCAR Uses IT in Its Pre-Race Inspection  
   Learning Objective: 1  
   Bloom: Knowledge  
   AACSB: Information technology
19. Which of the following is NOT a benefit of NASCAR’s pre-race inspection app?
   A. It makes it easier for race car drivers to ensure their cars pass inspection the first time.
   B. NASCAR executives can identify trends and patterns to help maintain a level playing field for all racers.
   C. NASCAR officials can drill down on any vehicle to review details about any pending issues.
   D. The pre-race inspection process has been simplified.

   **Answer: A**
   Difficulty: Easy
   Section: NASCAR Uses IT in Its Pre-Race Inspection
   Learning Objective: 1
   Bloom: Knowledge
   AACSB: Information technology

20. ________ is the result of optimizing the design, development, and production processes.
   A. Cost reduction
   B. Differentiation
   C. Productivity
   D. Quality

   **Answer: D**
   Difficulty: Easy
   Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
   Learning Objective: 2
   Bloom: Knowledge
   AACSB: Information technology

21. ________ is the result of optimizing operations and supplier processes.
   A. Cost reduction
   B. Differentiation
   C. Productivity
   D. Quality

   **Answer: A**
   Difficulty: Easy
   Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
   Learning Objective: 2
   Bloom: Knowledge
   AACSB: Information technology

22. ________ is the result of optimizing the marketing and innovation processes.
   A. Cost reduction
   B. Differentiation
   C. Productivity
23. ________ is a methodology for achieving incremental improvements in the effectiveness and efficiency of a process.
   A. BPI  
   B. BPM  
   C. BPR  
   D. BPS

   **Answer:** A

24. ________ is the most difficult, radical, lengthy, and comprehensive strategy.
   A. BPI  
   B. BPM  
   C. BPR  
   D. BPS

   **Answer:** C

25. Six Sigma is a popular ________ methodology.
   A. BPI  
   B. BPM  
   C. BPR  
   D. BPS

   **Answer:** A
26. The _________ stage in BPI is characterized by establishing process metrics and monitoring the improved processes.
   A. Analysis
   B. Control
   C. Improve
   D. Measure
   Answer: B
   Difficulty: Easy
   Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
   Learning Objective: 2
   Bloom: Knowledge
   AACSB: Information technology

27. Chevron employed ________ to provided detailed work instructions to its employees.
   A. Lean Six Sigma
   B. Nimbus
   C. SAP
   D. Six Sigma
   Answer: B
   Difficulty: Medium
   Section: IT’s About Business: BPR, BPI, and BPM at Chevron
   Learning Objective: 2
   Bloom: Knowledge
   AACSB: Information technology

28. Chevron initially utilized __________ to improve their supply chain, followed by employee-driven ________ initiatives, and then adopted a unified _____ approach to standardize business processes.
   A. BPI, BPM, BPR
   B. BPM, BPI, BPR
   C. BPR, BPI, BPM
   D. BPS, BPR, BPM
   Answer: C
   Difficulty: Easy
   Section: IT’s About Business: BPR, BPI, and BPM at Chevron
   Learning Objective: 2
   Bloom: Knowledge
   AACSB: Information technology
29. Chevron has used _______, a methodology that combines statistical process analysis with techniques to eliminate waste and improve process flow, since 2006.
   A. Lean Six Sigma  
   B. Nimbus  
   C. SAP  
   D. Six Sigma  
   **Answer: A**  
   **Difficulty: Medium**  
   **Section:** IT’s About Business: BPR, BPI, and BPM at Chevron  
   **Learning Objective:** 2  
   **Bloom:** Knowledge  
   **AACSB:** Information technology

30. Which of the following is a type of societal/political/legal pressure?
   A. Carbon management  
   B. Globalization  
   C. Innovation  
   D. Powerful customers  
   **Answer: A**  
   **Difficulty: Easy**  
   **Section:** Business Pressures, Organizational Responses, and Information Technology Support  
   **Learning Objective:** 3  
   **Bloom:** Knowledge  
   **AACSB:** Information technology

31. Sarbanes-Oxley is an example of ________
   A. a government regulation  
   B. customer focus  
   C. an ethical issue  
   D. our social responsibility  
   **Answer: A**  
   **Difficulty: Easy**  
   **Section:** Business Pressures, Organizational Responses, and Information Technology Support  
   **Learning Objective:** 3  
   **Bloom:** Knowledge  
   **AACSB:** Information technology

32. Palantir is NOT primarily used for ____________.
   A. detecting fraud  
   B. identifying patterns  
   C. pricing mortgages  
   D. privacy protection  
   **Answer: D**  
   **Difficulty: Hard**  
   **Section:** Business Pressures, Organizational Responses, and Information Technology Support  
   **Learning Objective:** 3
33. BYOD stands for
   A. Be Your Online Discussion
   B. Be Your Own Deadline
   C. Bring Your Online Decision
   D. Bring Your Own Device

   Answer: D
   Difficulty: Easy
   Section: Business Pressures, Organizational Responses, and Information Technology Support
   Bloom: Knowledge
   AACSB: Information technology

34. Which of the following is a problem with BYOD?
   A. Cost
   B. Productivity
   C. Satisfaction
   D. Security

   Answer: D
   Difficulty: Medium
   Section: Business Pressures, Organizational Responses, and Information Technology Support
   Bloom: Knowledge
   AACSB: Information technology

35. Banks have a lot of competition locally in addition to competing with online banks. This concept applies to ____________.
   A. Bargaining power of buyers
   B. Bargaining power of suppliers
   C. Threat of entry of new competitors
   D. Threat of substitute products or services

   Answer: A
   Difficulty: Hard
   Section: Competitive Advantage and Strategic Information Systems
   Bloom: Application
   AACSB: Information technology

36. The web ____________ buyer power.
   A. decreases
   B. increases
   C. has no impact on
   D. has a mixed impact on

   Answer: D
37. Which of the following is a support activity in Porter’s value chain model?
   A. Customer service
   B. Human resource management
   C. Logistics
   D. Operations
   **Answer: B**

38. WalMart has a(n) __________ strategy.
   A. Cost leadership
   B. Customer orientation
   C. Differentiation
   D. Innovation
   **Answer: A**

39. Which of the following is TRUE?
   A. Alignment within a single organization is fairly easy.
   B. Businesses can utilize enterprise architectures to foster alignment.
   C. Most organizations are able to achieve alignment.
   D. Most IT and business executives agree on their level of alignment.
   **Answer: B**

40. Which of the following is NOT a characteristic of alignment?
   A. Organizations rotate business and IT professionals across departments and job functions
   B. Organizations create a vibrant and inclusive company culture
C. Organizations view their IT department employees as supremely important
D. Organizations provide overarching goals that are completely clear to each IT and business employee

Answer: C
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

41. The OLPC’s experiment with solar-powered tablets took place in _______.
A. Bangladesh
B. Ethiopia
C. Rural US communities
D. Uganda

Answer: B
Difficulty: Easy
Section: IT’s About Business: Solar-Powered Tablets in Ethiopia
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

42. The OLPC’s experiment with solar-powered tablets in Ethiopia ________.
A. showed some promise of being successful
B. showed very little promise of being successful
C. was a major failure
D. was a major success

Answer: D
Difficulty: Easy
Section: IT’s About Business: Solar-Powered Tablets in Ethiopia
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

43. The goal of OLPC’s experiment with solar-powered tablets in Ethiopia was to ____.
A. improve literacy in children
B. reduce the digital divide
C. see if under-developed countries could use technology
D. test alternatives to battery power

Answer: A
Difficulty: Easy
Section: IT’s About Business: Solar-Powered Tablets in Ethiopia
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology
44. The Weather Channel is a powerful and well-known brand that is ________ viewers.
   A. gaining
   B. losing
   C. maintaining
   D. training

Answer: B
Difficulty: Easy
Section: IT’s About Business: The Weather Channel
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

45. Which of the following is NOT a reason The Weather Channel is losing customers?
   A. Mobile devices are now the primary source of weather information.
   B. People prefer highly accurate short-term weather predictions rather than semi-reliable five-day forecasts.
   C. They don’t have a mobile app.
   D. They show too many reality TV shows.

Answer: C
Difficulty: Medium
Section: IT’s About Business: The Weather Channel
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

46. ________ is NOT one of The Weather Channel’s main competitors.
   A. Dark Sky
   B. Sky Motion
   C. WeatherSphere
   D. Wunderground

Answer: D
Difficulty: Easy
Section: IT’s About Business: The Weather Channel
Learning Objective: 3
Bloom: Knowledge
AACSB: Information technology

47. Startups like Dark Sky can predict to the minute when it is going to start raining or snowing within the next hour because they ______________.
   A. are magicians and psychics
   B. hired superior weather forecasters with PhDs
   C. integrate and analyze data to improve short-term forecasting
   D. really understand the weather better than anybody else

Answer: C
Difficulty: Easy
48. IBM’s Watson _________________.
   A. can process structured and unstructured content
   B. can diagnose diseases and recommend treatment
   C. won Jeopardy!
   D. All of the above

Answer: D
Difficulty: Easy

Section: Closing Case
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

49. IBM’s Watson _______________ Jeopardy!.
   A. lost to Ken Jennings on
   B. was able to access Wikipedia while on
   C. won $1 million on
   D. none of the above

Answer: C
Difficulty: Easy

Section: Closing Case
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

50. IBM’s Watson is a(n) _________________.
    A. Dashboard
    B. ERP system
    C. Expert system
    D. FAIS

Answer: C
Difficulty: Hard

Section: Closing Case
Learning Objective: 1
Bloom: Application
AACSB: Information technology

51. IBM’s Watson is used in which of the following industries?
    A. Agriculture
    B. Energy
    C. Healthcare
    D. Retail
1. Effectiveness focuses on doing the right things.

Answer: True
Difficulty: Medium
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

2. Organizations adopt BPI to sustain BPM over time.

Answer: False
Difficulty: Easy
Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

3. Chevron’s strategy was to analyze its existing processes to identify specific areas to improve.

Answer: False
Difficulty: Easy
Section: IT’s About Business: BPR, BPI, and BPM at Chevron
Learning Objective: 2
Bloom: Knowledge
AACSB: Information technology

4. In mass production, a company produces a large quantity of items that are customized to individual customers.

Answer: False
Difficulty: Easy
Section: Business Pressures, Organizational Responses, and Information Technology Support
Learning Objective: 3
Bloom: Knowledge
5. The bargaining power of buyers is low when buyers have many choices and high when buyers have few choices.

**Answer: False**
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

6. Alignment often fails because business and IT managers have different objectives.

**Answer: True**
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

7. “Organizations promote business and IT professionals within their departments so they become the experts in their functional area” is NOT a characteristic of excellent alignment.

**Answer: True**
Difficulty: Medium
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge
AACSB: Information technology

**Question Type: Fill-in-the-Blank**

1. __________ are the people and equipment that perform process activities.

**Answer: Resources**
Difficulty: Easy
Section: Business Processes
Learning Objective: 1
Bloom: Knowledge
AACSB: Information technology

2. Business process__________ is a management system that includes methods and tools to support the design, analysis, implementation, management, and continuous optimization of core business processes throughout the organization.
3. __________ relationship management is an organization-wide effort toward maximizing the customer experience.

**Answer: Customer**

4. Strategic information systems provide a ________________ by helping an organization implement its strategic goals and improve its performance and productivity.

**Answer: competitive advantage**

5. Business-information technology alignment is the tight integration of the ____________ with the organization’s strategy, mission, and goals.

**Answer: IT function**

1. In what three areas do information systems play a vital role? For each area, where is the information system involved? Describe a business example for each area.

**Answer:**

1) Executing the process
2. In your own words (i.e. go beyond the book definitions), what is the difference between BPI, BPM, and BPR? If you joined the upper management team of a local manufacturing company, how could you potentially use BPI, BPM, and BPR?

Answer:

1) BPI = incremental improvements; BPM = maintaining BPI over time; BPR = radical improvements

2) BPI = getting employees to recommend ways their department could do things better; BPM = ensure business processes are continually aligned with the strategy (meeting frequently with lower management); BPR = implementing a new ERP system

Difficulty: Easy (first question), Hard (second question)

Section: Business Process Reengineering, Business Process Improvement, and Business Process Management
Learning Objective: 2
Bloom: Comprehension, Application
AACSB: Written and oral communication, Information technology, Application of knowledge

3. What are the three market pressures discussed in the book? List one positive and one negative for businesses that result from these pressures.

Answer:

1) Globalization
   a. Positive = more customers because businesses can be everywhere
   b. Negative = having to deal with many different cultures/needs

2) Changing Nature of the Workforce
   a. Positive = access to many more people who couldn’t work in the past
   b. Negative = have to adjust environments to work with those people

3) Powerful Customers
   a. Positive = getting a lot more feedback from customers
   b. Negative = customers with bad experiences have a lot more power to influence potential customers in a bad way

Difficulty: Medium
4. List and describe Porter’s five forces and the ways the Web influences them. Evaluate a SINGLE COMPANY with each force (include your logic for your evaluation).

Answer:

1) Threat of entry of new competitors = the threat that new competitors will enter your market is high when entry is easy and low when there are significant barriers to entry; web = increases because easy to create a website but decreases because first mover will set the standard.

2) Bargaining power of suppliers = supplier power is high when buyers have few choices from whom to buy and low when buyers have many choices; web = increases because integrating supply chain increases switching costs but decreases because it is easier to shop around.

3) Bargaining power of buyers = buyer power is high when buyers have many choices from whom to buy and low when buyers have few choices; web = decreases because loyalty programs increase switching costs but increases because it is easier to shop around.

4) Threat of substitute products or services = the threat of substitutes is high when there are many alternatives to an organization’s products or services; web = increases because substitutes can be created rapidly where information-based industries have highest threat but decreases if can create switching costs.

5) Rivalry among existing firms in the industry = threat from rivalry is high when there is intense competition among many firms in an industry; web = increases because of transparency.

NOTE: for the evaluation piece, students can argue high or low but their logic must be sound as noted above.

Difficulty: Medium

Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge, Comprehension, Application
AACSB: Written and oral communication, Information technology, Application of knowledge

5. List, describe, and provide a real world example of the five different strategies for competitive advantage.

Answer:

1) Cost leader – selling at the lowest price; Walmart
2) Differentiation – selling a different product; Porsche
3) Innovation – selling something new; Apple
4) Operational effectiveness – being more efficient; Walmart
5) Customer oriented – treating customers better; Zappos
Difficulty: Easy
Section: Competitive Advantage and Strategic Information Systems
Learning Objective: 4
Bloom: Knowledge, Comprehension, Application
AACSB: Written and oral communication, Information technology, Application of knowledge