

The Importance of Information Systems Management, 8e (McNurlin/Sprague/Bui)

Chapter 1 The Importance of Information Systems Management

- 1) One of the challenges for IT executives is the need to balance a single architecture with tailored systems.

Answer: TRUE

Diff: 1 Page Ref: 3

- 2) E-business is limited to electronic activity conducted over the Internet.

Answer: FALSE

Diff: 1 Page Ref: 2

- 3) One of the significant changes in IT governance is the shift to a centralized IS executive decision making process.

Answer: FALSE

Diff: 1 Page Ref: 3

- 4) There has been a significant shift in recent years from system integration to application delivery.

Answer: FALSE

Diff: 1 Page Ref: 4

- 5) The global marketplace is limited by the lack of trans-border mergers.

Answer: FALSE

Diff: 2 Page Ref: 5

- 6) Outsourcing IT services is always a long-term commitment.

Answer: FALSE

Diff: 2 Page Ref: 9

- 7) Intellectual capital is a synonym for knowledge.

Answer: TRUE

Diff: 1 Page Ref: 10

- 8) Worknets are formal groups that are required to share collective knowledge.

Answer: FALSE

Diff: 2 Page Ref: 10

- 9) Data management has changed over the years to include graphics, animation, and video.

Answer: TRUE

Diff: 1 Page Ref: 14

- 10) The term *data* has come to mean *content*.

Answer: TRUE

Diff: 2 Page Ref: 14

- 11) Knowledge-based activities are designed to handle large volumes of transactions.

Answer: FALSE

Diff: 2 Page Ref: 18

- 12) Real-time enterprise refers to the use of information technology that enables organizations to understand their business up to the minute.
Answer: TRUE
Diff: 1 Page Ref: 15
- 13) Privacy of data is a business issue and does not typically involve the information systems organization.
Answer: FALSE
Diff: 2 Page Ref: 14
- 14) Data Security is a business issue and does not typically involve the information systems organization.
Answer: FALSE
Diff: 1 Page Ref: 14
- 15) Procedure-based activities are primarily handled by managers and executives and require sophisticated information systems for support.
Answer: FALSE
Diff: 1 Page Ref: 19
- 16) A major theme in today's business cycle today's is globalization.
Answer: TRUE
Diff: 1 Page Ref: 2
- 17) Hierarchical management structures in business are no longer optimal because hierarchical management structures cannot cope with rapid change.
Answer: TRUE
Diff: 1 Page Ref: 12
- 18) Taking advantage of the Internet, and networks in general, is a major goal of enterprises.
Answer: TRUE
Diff: 1 Page Ref: 13
- 19) The convergence of previously separate technologies such as computers, telephones/telecom/cable TV, contribute to the increased importance and complexity of IT.

Answer: TRUE
Diff: 3 Page Ref: 21
- 20) The most exciting developments in telecommunications technology is fiber optics.
Answer: FALSE
Diff: 3 Page Ref: 18
- 21) If an organization has e-enabled its business it is:
A) expanding its brick-and-mortar operations.
B) integrating the Internet into how it works.
C) offering goods and services internationally.
D) All of the above
Answer: B
Diff: 1 Page Ref: 2

22) Which of the following is **not** a major trend in the management of information technology?

- A) outsourcing
- B) IT governance
- C) shift toward application delivery
- D) All of the above

Answer: C

Diff: 3 Page Ref: 3

23) Which of the following affects how IT is used within an organization?

- A) economic conditions
- B) societal mores
- C) labor
- D) All of the above

Answer: D

Diff: 2 Page Ref: 5

24) A web of relationships surrounding one or two companies is known as a(n):

- A) e-enablement network.
- B) ecosystem.
- C) e-commerce transaction.
- D) None of the above

Answer: B

Diff: 1 Page Ref: 6

25) The Internet has moved the business model from _____ to _____.

- A) demand-pull; supply-push.
- B) supply-push; demand-pull.
- C) supply-pull; demand-push.
- D) demand-push; supply-push.

Answer: B

Diff: 2 Page Ref: 7

26) Business ecosystems:

- A) are stable business environments.
- B) work best in a hierarchical, centralized command structure.
- C) involve relationships with one or a few companies.
- D) Both A and C

Answer: C

Diff: 3 Page Ref: 6

27) Knowledge that people have but cannot be easily explained to others is referred to as:

- A) tacit knowledge.
- B) explicit knowledge.
- C) illicit knowledge.
- D) artificial knowledge.

Answer: A

Diff: 1 Page Ref: 10

28) Organizations are attempting to create a new work environment that incorporates:

- A) slower business cycles.
- B) an electronic foundation.
- C) greater emphasis on hierarchical management.
- D) None of the above

Answer: B

Diff: 2 Page Ref: 11

29) Trends in computer hardware are headed toward:

- A) increasing distribution.
- B) increasing centralization.
- C) increasing IT control.
- D) None of the above

Answer: A

Diff: 1 Page Ref: 12

30) Trends in computer software are headed towards:

- A) increasing use of purchased software.
- B) increasing network-centricity.
- C) increased end-user computing.
- D) All of the above

Answer: D

Diff: 2 Page Ref: 12

31) Trends in data are headed towards:

- A) emphasis on application data files.
- B) emphasis on knowledge management.
- C) emphasis on data reduction.
- D) All of the above

Answer: B

Diff: 2 Page Ref: 13

32) Which of the following is a major data issue?

- A) compliance with the need to verify financial data.
- B) protecting data from those who should not see it
- C) safeguarding customer data
- D) All of the above

Answer: D

Diff: 1 Page Ref: 14

33) Procedure-based activities are characterized by:

- A) low volume of transactions.
- B) focus on effectiveness.
- C) well-structured procedures.
- D) All of the above

Answer: C

Diff: 2 Page Ref: 19

34) Procedure-based activities are characterized by:

- A) low cost per transaction.
- B) focus on efficiency.
- C) predominantly clerical workers.
- D) All of the above

Answer: D

Diff: 3 Page Ref: 19

35) Knowledge-based activities are characterized by:

- A) output measures that are less defined.
- B) focus on process.
- C) low cost per transaction.
- D) All of the above

Answer: A

Diff: 1 Page Ref: 19

36) The most exciting developments in telecommunications technology is:

- A) wireless.
- B) structured code.
- C) Ethernet.
- D) fiber optics.
- E) Both A and C

Answer: A

Diff: 2 Page Ref: 18

37) The dominant issue in software and programming in the 1960s was:

- A) improve transaction-processing systems.
- B) how to improve the productivity of in-house programmers.
- C) the use of outside services, such as timesharing services.
- D) deciding between application packages and contract programming from independent software houses.

Answer: B

Diff: 4 Page Ref: 15

38) IT evolution can be described using the four traditional areas of:

- A) hardware, applications, operating systems and communication.
- B) software, hardware, communication and telecommunications.
- C) software, telecommunications, internet and hardware.
- D) hardware, software, data, and communication.

Answer: D

Diff: 4 Page Ref: 14

39) How IT is used depends on the _____ surrounding the organization that uses it.

- A) infrastructure
- B) competitive forces
- C) environment
- D) Both A and C

Answer: C

Diff: 3 Page Ref: 6

- 40) A Framework for IS Management includes: Infrastructure Management, System Development and Delivery and
- A) essential enabling technologies.
 - B) information workers.
 - C) procedural systems.
 - D) support systems.

Answer: B

Diff: 4 Page Ref: 23

- 41) Briefly describe three major trends in IT management.

Answer: 1. IT governance is becoming more of a collaborative effort between IT and the business.
2. Outsourcing is becoming a way of life for many IT organizations.
3. The role of IT is shifting from application delivery to system integration and infrastructure development.

Diff: 2 Page Ref: 3

- 42) List five factors that affect the external business environment.

Answer: 1. The Internet economy
2. Global marketplace
3. Business ecosystems
4. Decapitalization
5. Faster business cycles
6. Accountability and transparency
7. Rising societal risks of IT

Diff: 1 Page Ref: 5-6

- 43) Briefly describe how outsourcing and strategic alliances have impacted IS organizations.

Answer: The IS organization no longer attempts to complete all work in-house. The IS organization can specialize in areas of internal expertise and obtain other products and services from third-party specialists. In addition, the IS organization provides information and communication that is essential in establishing and monitoring third-party relationships throughout the organization.

Diff: 3 Page Ref: 9

- 44) Describe the key differences between procedure-based information work and knowledge-based information work.

Answer: Procedure-based information work consists of high volume, low cost (per transaction) and well-understood activities. The focus is on efficiency of data handling. Knowledge-based information work consists of low volume, high cost (per transaction), and ill-structured activities. The focus is on results achieved by handling concepts rather than data.

Diff: 2 Page Ref: 18

- 45) Why is it important for the IS organization to recognize the distinction between procedure-based activities and knowledge-based types of information work?

Answer: Most historical IS activities have been procedure-based. These activities are well structured and well understood. The wave of the future however, is applying IT to a knowledge-based world. This will require the IS organization to define a new support environment.

Diff: 3 Page Ref: 19

46) Briefly describe how the Web has changed the term data.

Answer: The Web has broadened the term data to include objects such as photos, film clips, maps, graphics, animation, and audio.

Diff: 1 Page Ref: 14

47) Describe two major data issues facing CIOs today.

Answer: Data security has become a major issue. Many organizations have significant amounts of customer and personnel data available through the Internet that must be managed to only allow access to those persons who should see the data. Data privacy has become a significant issue; in part because of legislation such as the Sarbanes–Oxley Act within the United States that now requires that companies can verify their financial data.

Diff: 1 Page Ref: 14

48) Due to the growth and pervasiveness of IT, organizations are operating in a much different business environment. Describe three business issues that dramatically affect IT.

Answer: Globalization. The worldwide expansion of brands and the emergence of global institutions continue to encounter major protests from groups, and even nations, that want to maintain their local identity. Companies feel this backlash in their use of IT: locales and regions want systems that suit their culture, preferences, or lifestyles. In response, IS executives are seeking to achieve a balance between implementing a single, enterprisewide IT infrastructure and tailoring systems to fit local needs and locating work where it is most cost-effective.

E-enablement. Doing business electronically has been fundamental, but the Internet has transformed the way people conduct business. The before-Internet economy is evolving into an electronic economy where clicks and bricks exist side by side.

Business Intelligence Through Knowledge Sharing and Knowledge Management. The transfer of knowledge between people (sharing), because the most important asset in enterprises is the people and the knowledge they possess. The transfer of knowledge from people's heads into lasting things, such as processes, products, best practices, databases, directories, software, and such is a major challenge for IT.

Diff: 3 Page Ref: 2

49) Discuss how the emergence of the Internet economy has affected the global market place.

Answer: The ability to use the Internet to sell and ship goods to consumers at substantially lower costs has dramatically affected the global economy. The Internet economy encompasses both old and new ways of operating, and IT is a major underpinning of the way these two worlds interface with each other. The entire world has become a conglomeration of electronic marketplaces. To succeed, large companies need to be global because the Internet enables companies to work globally.

Diff: 4 Page Ref: 7

50) List four principle elements that represents the process of applying IT to accomplish useful work.

Answer: 1. A set of technologies that represent the IT infrastructure installed and managed by the IS department
2. A set of users who need to use IT to improve their job performance
3. A delivery mechanism for developing, delivering, and installing applications
4. Executive leadership to manage the entire process of applying the technology to achieve organizational objectives and goals

