

Processes, Systems, and Information, 2e (McKinney/Kroenke)

Chapter 2 Business Processes, Information Systems, and Information

1) Business processes involve resources, such as people, computers, and data and document collections.

Answer: TRUE

Difficulty: Easy

Chapter LO: 1

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

2) All repositories are databases.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 1

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

3) Most businesses choose not to standardize business processes in order to avoid inconsistencies in results.

Answer: FALSE

Difficulty: Easy

Chapter LO: 1

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

4) Standardized business processes reduce risks.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 1

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

5) The five-component framework is present in every information system, from the simplest to the most complex.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

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

6) Both programs and procedures are instructions.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

7) According to the five-component framework, programs tell people what to do, and procedures tell hardware what to do.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

8) All information systems include a computer.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

9) The quality of an information system is determined by the quality of the user's thinking.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

10) The five-components model has made it difficult to identify problems in an information system.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

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

11) The five-component framework can be used when assessing the scope of new systems.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

12) Changing the structure of existing databases is an easy task.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

13) Ordering additional hardware for an information system is a complex task.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

14) Procedures link information systems to processes.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

15) A process cannot be supported by more than one information system.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 3

Course LO: Describe the components of an information system (IS)

16) Procedures anchor an information system to a process.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 3

Course LO: Describe the components of an information system (IS)

17) Each information system has a different procedure for every process the information system supports.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 3

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

18) Scheduling work shifts and calculating daily sales tax totals are examples of dynamic processes.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

19) Businesses have thousands of different processes, among which some processes are stable.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

20) Highly-standardized processes are done in different ways each time regardless of who is working on it.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

21) Changes in structured processes are easy to implement.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

22) Control is critical in structured processes.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

23) Innovation is not expected in structured processes, but it is required in dynamic processes.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 4

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

24) Effectiveness is an important characteristic of both structured and dynamic processes.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 4

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

25) Procedures for dynamic processes typically delimit what the users of a system can do and under what conditions they can do it.

Answer: FALSE

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 4

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

26) Dynamic processes cannot be reduced to fixed activities done the same way every time.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

27) Changes to dynamic processes are slow, made with deliberation, and are difficult to implement.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

28) Dynamic processes are unstructured.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

29) The actors in a dynamic process collaborate and give feedback to each other.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

30) Dynamic processes have objectives that tend to emphasize effectiveness rather than efficiency.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

31) Human intuition does not play any role in a dynamic process.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

32) Efficiency means accomplishing the process with minimum resources.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

33) The instructions of a dynamic process are more rigid when compared to a structured process.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

34) Rather than being controlled, dynamic processes are adaptive.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

Course LO: Describe the components of an information system (IS)

35) Information systems that support a dynamic process will restrict user behavior and innovation.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

36) A statement that the average daily wage of all the construction workers in Nevada is \$250 is an example of information.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

37) Information is processed data.

Answer: TRUE

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

38) Information is data processed by sorting, filtering, grouping, comparing, summing, averaging, and other similar operations.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

39) Information is knowledge derived from recorded facts or figures.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

40) Information is data presented in a meaningful context.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

41) Unlike data, information remains constant from person to person.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

42) Good information is conceived from accurate, correct, and complete data.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

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

43) Data must be accurate in order to improve the quality of information.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

Course LO: Describe the components of an information system (IS)

44) Information system users ought to rely on data if it appears in the context of a Web page.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

Course LO: Describe the components of an information system (IS)

45) Good information requires that data be timely.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

Course LO: Describe the components of an information system (IS)

46) For data to be worth its cost, an appropriate relationship must exist between the cost of data and its value.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

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

47) Data should be relevant both to the context and to the subject.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

Course LO: Describe the components of an information system (IS)

48) Data needs to be sufficient for the purpose for which it was generated.

Answer: TRUE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

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

49) Costs for developing an information system are the only costs associated with it.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

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

50) Information systems are not subject to financial analyses.

Answer: FALSE

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

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

51) A(n) _____ is referred to as a sequence of activities for accomplishing a function.

A) value chain

B) information system

C) business process

D) repository

Answer: C

Difficulty: Easy

Chapter LO: 1

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

52) A(n) _____ is referred to as a task within a business process.

A) activity

B) schedule

C) role

D) plan

Answer: A

Difficulty: Easy

Chapter LO: 1

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

53) A _____ is referred to as a subset of the activities in a business process that is performed by a particular individual.

A) decision

B) process

C) role

D) task

Answer: C

Difficulty: Easy

Chapter LO: 1

Course LO: Describe the components of an information system (IS)

54) In the BPMN model, a circle with a heavy border represents _____.

- A) decisions
- B) the start of the business process
- C) the end of the business process
- D) activities

Answer: C

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 1

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

55) Decisions in the BPMN model are represented by _____.

- A) diamonds
- B) triangles
- C) rectangles with rounded corners
- D) circles

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 1

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

56) A solid arrow in the BPMN model represents the _____.

- A) beginning and end of the business process
- B) flow of data
- C) flow of action
- D) swimlanes

Answer: C

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 1

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

57) A dotted arrow in the BPMN model represents the _____.

- A) flow of the data that is named on the arrow
- B) flow of action that is named on the arrow
- C) swimlanes
- D) beginning and end of the business process

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 1

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

58) In the BPMN model, the notation of a plus sign signifies the _____.

- A) flow of the data that is named on an arrow
- B) details of the activity that are documented elsewhere
- C) flow of action that is named on an arrow
- D) beginning and end of the business process

Answer: B

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 1

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

59) Which of the following is a benefit of standardizing business processes?

- A) It produces varying results.
- B) It enables the business to enforce policies.
- C) It provides non-scalable solutions.
- D) It allows businesses to take further risks.

Answer: B

Difficulty: Easy

Chapter LO: 1

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

60) A(n) _____ is a group of components that interact to achieve some purpose.

- A) function
- B) end-user
- C) repository
- D) system

Answer: D

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

61) Which of the following components of a functioning information system includes the computer, keyboard, and monitor?

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

Answer: D

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

62) Which of the following components of an information system functions as a bridge between the human side and the machine side of the information system framework?

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

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

63) A company's _____ serve as instructions for users to use and access data.

- A) activities
- B) processes
- C) procedures
- D) repositories

Answer: C

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

64) _____ provide instructions to the hardware in an information system.

- A) Programs
- B) Activities
- C) Procedures
- D) Repositories

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

65) WordPerfect, a word-processing program, is an example of a _____.

- A) data set
- B) procedure
- C) software
- D) hardware

Answer: C

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

66) Which of the following is the most important component of information systems?

- A) software
- B) hardware
- C) people
- D) procedure

Answer: C

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

67) A storage disk is an example of the _____ component of an information system.

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

Answer: D

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

68) Which of the following is considered a software when writing a class report?

- A) the steps used to start the program
- B) the content of the report
- C) the word-processing program
- D) the keyboard

Answer: C

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

69) Customers' names, numbers, and addresses are an example of the _____ component of an information system.

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

Answer: B

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

70) _____ are components of an information system that anchor it to a process.

- A) People
- B) Programs
- C) Repositories
- D) Procedures

Answer: D

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 3

Course LO: Describe the components of an information system (IS)

71) Which of the following statements is true about processes and procedures of an information system?

- A) Each information system has a different procedure for every process it supports.
- B) A process will have the same procedure for every information system.
- C) Changes to an information system will not affect the processes that use it.
- D) Procedures do not change with the changes made to an information system.

Answer: A

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 3

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

72) Day-to-day operations, such as placing an order, are considered _____ processes.

- A) structured
- B) innovative
- C) dynamic
- D) unstructured

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

73) Which of the following is a feature of a structured process?

- A) It is a formally defined process.
- B) Its procedures are supportive rather than prescriptive.
- C) It changes rapidly as requirements and situations change.
- D) It is adaptive rather than being controlled.

Answer: A

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 4

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

74) Which of the following is a feature of a dynamic process?

- A) It is a formally defined process.
- B) It is difficult to change or modify.
- C) It requires information systems that are prescriptive.
- D) It is more dependent on effectiveness than efficiency.

Answer: D

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 4

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

75) Which of the following is an example of a dynamic process?

- A) scheduling work shifts
- B) placing an order
- C) computing a sales commission
- D) deciding the location for a new store

Answer: D

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 4

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

76) _____ is not expected in structured processes, nor is it generally appreciated or rewarded, unlike in the case of dynamic processes.

- A) Efficiency
- B) Effectiveness
- C) Innovation
- D) Control

Answer: C

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

77) _____ is a critical part of structured processes.

- A) Adaptation
- B) Innovation
- C) Rapid change
- D) Control

Answer: D

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

78) _____ means accomplishing a certain process with minimum resources.

- A) Efficiency
- B) Effectiveness
- C) Innovation
- D) Adaptation

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

79) The procedures for structured processes are _____.

- A) innovative
- B) dynamic
- C) prescriptive
- D) supportive

Answer: C

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 4

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

80) Which of the following is a characteristic of structured processes?

- A) They are prescriptive.
- B) They are supportive.
- C) They provide less-rigid instructions.
- D) They are adaptive.

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

81) Dynamic processes are evaluated on effectiveness more than efficiency because _____.

- A) they are difficult to change
- B) the efficient use of resources does not matter in the case of such processes
- C) they are highly controlled and standardized
- D) they change so fast that it is often not possible to measure efficiency over time

Answer: D

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 4

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

82) Which of the following statements is true of dynamic processes?

- A) These processes are fixed in the flow among their activities.
- B) These processes are, by definition, unstructured.
- C) The BPMN diagrams for these processes are highly specific.
- D) These processes rely, to a large extent, on human intuition.

Answer: D

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 4

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

83) Procedures for dynamic processes are _____.

- A) supportive
- B) prescriptive
- C) predefined
- D) standardized

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

84) _____ is referred to as knowledge derived from recorded facts and figures.

- A) Innovation
- B) Information
- C) Perception
- D) Cognition

Answer: B

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

85) Which of the following refers to recorded facts and figures?

- A) data
- B) programs
- C) procedures
- D) policies

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

86) Which of the following statements is true about information?

- A) It remains the same from person to person.
- B) It is different from data.
- C) It is unprocessed data.
- D) It is a recorded fact or figure.

Answer: B

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

87) A company's information system discovers a customer's poor credit history only after certain goods have been shipped to him. The information produced, as a result, was not useful because the data was _____.

- A) inaccurate
- B) insufficient
- C) irrelevant
- D) ill-timed

Answer: D

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 6

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

88) In order to conceive good information, information system users must _____.

- A) trust well-formatted reports
- B) rely on data that appears in the context of a Web page
- C) use data irrespective of accuracy
- D) cross-check data

Answer: D

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

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

89) Which of the following is a critical data characteristic?

- A) just sufficient
- B) random
- C) arrival after task completion
- D) high cost

Answer: A

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

Course LO: Describe the components of an information system (IS)

90) Data should be pertinent both to the context and subject at hand. Which of the following data characteristics does this represent?

- A) cost effectiveness
- B) timeliness
- C) sufficiency
- D) relevancy

Answer: D

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

Course LO: Describe the components of an information system (IS)

91) What is a business process? Explain with the help of examples.

Answer: A business process is a sequence of activities for accomplishing a function. For example, a university has business processes to:

- Add a class to the business curriculum
- Add a new section to a class schedule
- Assign a class to a classroom
- Drop a class section
- Record final grades

Difficulty: Easy

Chapter LO: 1

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

92) What is an activity? Explain with the help of examples.

Answer: An activity is a task within a business process. Examples of activities that are part of the process of recording final grades are:

- Compute final grades
- Fill out grade reporting form
- Submit the grade recording form to the departmental administrator

Difficulty: Easy

Chapter LO: 1

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

93) Why do organizations standardize business processes?

Answer: Other than very small businesses, most businesses choose to standardize business processes. For one, standardizing processes enables the business to enforce policies.

Standardized business processes also produce consistent results and are scalable. Finally, standardized business processes reduce risk. When every employee follows the same process, the opportunities for error and serious mistakes are greatly reduced.

Difficulty: Easy

Chapter LO: 1

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

94) Define systems and information systems.

Answer: A system is a group of components that interact to achieve some purpose. An information system (IS) is a group of components that interact to produce information. The five-component framework is a model of the components of an information system: computer hardware, software, data, procedures, and people.

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

95) Explain the five-component framework of an information system with the help of an example.

Answer: The five-component framework is a model of the components of an information system: computer hardware, software, data, procedures, and people. For example, when using a computer to write a class report, the student is using hardware (the computer, storage disk, keyboard, and monitor), software (Word, WordPerfect, or some other word-processing program), data (the words, sentences, and paragraphs in the report), procedures (the steps used to start the program, enter the report, print it, and save and back up the file), and people (the user).

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

96) How is the five-component framework used to estimate the scope of new information systems?

Answer: The five-component framework can also be used when assessing the scope of new systems. For example, when a vendor pitches the need for a new technology, the five components are used to assess how big of an investment that new technology represents. What new hardware will the user need? What programs will the user need to license? What databases and other data must the user create? What procedures will need to be developed for both the use and administration of the information system? And, finally, what will be the impact of the new technology on people? Which jobs will change? Who will need training? How will the new technology affect morale? Will the user need to hire new people? Will the user need to reorganize? The five-component model helps the user think more completely about the impact of new technology.

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

97) Arrange the components of an information system in the correct order based on difficulty and disruption.

Answer: It is a simple matter to order additional hardware. Obtaining or developing new programs is more difficult. Creating new databases or changing the structure of existing databases is still more difficult. Changing procedures, requiring people to work in new ways, is even more difficult. Finally, changing personnel responsibilities and reporting relationships and hiring and terminating employees are very difficult and very disruptive to the organization.

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 2

Course LO: Describe the components of an information system (IS)

98) Explain the role of procedures.

Answer: Procedures, one of the five components of an IS, anchor an IS to a process. A procedure is a set of instructions for a person to follow when operating an IS. Each information system has a different procedure for every process the information system supports. For example, when a person creates a Facebook account, the Facebook IS gives him/her a procedure to follow in the form of instructions for filling out the on-screen application. The Facebook information system includes a procedure for each of its processes—there is a procedure for creating an account, posting a picture, searching for friends, and setting privacy preferences.

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 3

Course LO: Describe the components of an information system (IS)

99) Explain the two broad categories of processes with relevant examples.

Answer: Structured processes are formally defined, standardized processes. Most structured processes support day-to-day operations: scheduling work shifts, placing an order, computing a sales commission, and so forth. Dynamic processes are less specific, more adaptive, and even intuitive. Deciding whether to open a new store location and how best to solve a problem of poor employee training are examples of dynamic processes.

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

100) List the characteristics of structured processes.

Answer: The characteristics of structured processes are:

- They are formally defined processes.
- Process change is slow and difficult.
- Control is critical.
- Efficiency and effectiveness are important.
- Procedures are prescriptive.
- Innovation is not expected.

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 4

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

101) What are the differences between structured processes and dynamic processes?

Answer: Structured processes are formally defined processes, whereas dynamic processes are informal processes. Unlike in the case of dynamic processes, changes to structured processes are slow, made with deliberation, and are difficult to implement. Control is critical in structured processes, whereas adaptation is critical in dynamic processes. Both efficiency and effectiveness are important in structured processes, whereas effectiveness is more important in dynamic processes. Information systems are prescriptive in structured processes, whereas they are supportive in dynamic processes. Innovation is not expected in structured processes, whereas, innovation is required in dynamic processes.

Difficulty: Easy

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Chapter LO: 4

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

102) List the characteristics of dynamic processes.

Answer: The characteristics of dynamic processes are:

- They are informal processes.
- Process change is rapid and expected.
- Adaptation is critical.
- Effectiveness is typically more important than efficiency.
- Procedures are supportive.
- Innovation is required.

Difficulty: Easy

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Chapter LO: 4

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

103) Why is the distinction between structured and dynamic processes considered important?

Answer: The distinction between structured and dynamic processes is considered important for various reasons. The behavior one chooses as a business professional depends on the type of process in which he/she is involved. Innovation will be expected in dynamic processes but discouraged in structured processes. For information systems, this process distinction is important in the nature and character of the system. The procedures of an IS used to support structured processes will restrict his/her behavior and readily (and successfully) frustrate any attempts at innovation. In contrast, an IS that supports a dynamic process supports innovation.

Difficulty: Easy

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Chapter LO: 4

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

104) Define information and explain its characteristics.

Answer: A common definition for information is knowledge derived from data, whereas data is defined as recorded facts or figures. First, information is not data, it is something more. What makes information "more" is that it is meaningful. Second, because meaning is in the eye of the beholder, information varies from person to person—different people often have different information. Finally, information resides in the head of the person looking at the data. If it's on a piece of paper or on a digital screen, it's data; if it's in the mind, it's information.

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 5

Course LO: Describe the components of an information system (IS)

105) Explain the data factors that drive information quality.

Answer: First, good information is conceived from accurate, correct, and complete data; and it has been processed correctly. Second, data must be timely. When one participates in the development of an information system, timeliness will be part of the requirements that he/she specifies. One needs to give appropriate and realistic timeliness needs. Third, data should be relevant both to the context and to the subject. Finally, data needs to be sufficient for the purpose for which it is generated, but just barely so.

Difficulty: Easy

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Chapter LO: 6

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

106) Why must data be timely in order to make information useful? Explain with an example.

Answer: Good information requires that data be timely—available in time for its intended use. A monthly report that arrives six weeks late is most likely useless. An information system that tells the user about the poor credit of a customer to which he/she has already shipped goods is unhelpful and frustrating. In some cases, developing systems that provide data in near real time is much more difficult and expensive than producing data a few hours later.

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 6

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

107) Explain the reasons for the need of sufficient data.

Answer: Data needs to be sufficient for the purpose for which it is generated, but just barely so. We are inundated with data; one of the critical decisions that each of us has to make each day is what data to ignore. The higher an individual rises into management, the more data he/she will be given and, because there is only so much time, the more data he/she will need to ignore. So, data should be sufficient, but just barely.

Difficulty: Easy

AACSB: Information Technology

Chapter LO: 6

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

108) Explain the costs involved in data creation.

Answer: Data is not free. There are costs for developing an information system, costs of operating and maintaining that system, and costs of time and salary for reading and processing the data the system produces. For data to be worth its cost, an appropriate relationship must exist between the cost of data and its value.

Difficulty: Moderate

AACSB: Information Technology

Chapter LO: 6

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