Chapter 01

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

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

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

4. Technology provides countless business opportunities, but can also lead to pitfalls and traps for a business.
   True  False

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

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

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

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

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

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

11. Information is data converted into a meaningful and useful context. The truth about information is that its value is only as good as the people who use it. People using the same information can make different decisions depending on how they interpret or analyze the information.
   True  False

12. Knowledge workers are individuals valued for their ability to manage teams and implement critical human resource rules and regulations.
   True  False

13. Using data and information to make decisions and solve problems is the key to finding success in business. These are also the core drivers of the information age and the building blocks of business systems.
   True  False
14. Companies update business strategies continuously as internal and external environments change.
   True   False

15. The finance department performs the function of selling goods or services.
   True   False

16. The marketing department supports sales by planning, pricing, and promoting goods or services.
   True   False

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

18. The accounting and finance departments primarily use monetary data.
   True   False

19. The sales and marketing departments primarily use production data.
   True   False

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

21. Successful companies today operate cross-functionally, integrating the operations of all departments.
   True   False

22. An overview of systems thinking includes input, process, output, and finances.
   True   False

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

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

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

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

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

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

29. The chief knowledge officer is responsible for collecting, maintaining, and distributing company knowledge.
   True   False

30. Waiting tables, teaching, and cutting hair are all examples of services that people pay for to fulfill their needs.
   True   False
31. Goods are material items or products that customer’s will buy to satisfy a want or need.
   True  False

32. Cars, groceries, and clothing are all examples of goods.
   True  False

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

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

35. Lettuce, tomatoes, patty, bun, and ketchup are included in the process of making a hamburger.
   True  False

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

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

38. A grilled cheese sandwich is considered the final output of a making-a-sandwich process.
   True  False

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

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

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

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

43. To combat business challenges leaders communicate and execute business strategies from the Greek word stratus for army and ago for leading.
   True  False

44. Businesses rarely need to update business strategies as the business environment remains relatively stable.
   True  False

45. Attracting new customers, decreasing costs, and entering new markets are all examples of business strategies.
   True  False

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

47. A first-mover advantage is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed.
   True  False
48. FedEx created a first-mover advantage by developing its customer self-service software, which allows people to request parcel pickups, print mailing slips, and track parcels online.
   True  False

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

50. Mark Peterson identified the Porter's Five Forces Model which analyzes the competitive forces within a business environment.
   True  False

51. Porter's Five Forces Model outlines the process for a sales strategy.
   True  False

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

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

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

55. Polaroid had a unique competitive advantage for many years until it forgot to observe competitive intelligence. The firm went bankrupt when people began taking digital pictures. Polaroid provides a great example of Porter's threat of new entrants.
   True  False

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

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

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

59. The threat of substitute products or services refers to the power of customers to purchase alternatives.
   True  False

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

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

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

63. According to Porter's three generic strategies, Walmart is following a business strategy that focuses on 'broad market and low cost'.
   True  False
64. According to Porter it is recommended to adopt only one of the three generic strategies.
   True  False

65. Buyer power is included as one of Porter's three generic strategies.
   True  False

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

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

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

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

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

71. Inbound logistics and operations are part of the primary value activities.
   True  False

72. Inbound logistics and operations are part of the support value activities.
   True  False

73. Firm infrastructure and human resource management are part of the primary value activities.
   True  False

74. Firm infrastructure and human resource management are part of the support value activities.
   True  False

75. Which of the following is not considered a core driver of the information age?
   A. Information.
   B. Business Intelligence.
   C. Competitive Intelligence.
   D. Data.

76. Which of the following is not considered a core driver of the information age?
   A. Information.
   B. Business Intelligence.
   C. Knowledge.
   D. All of the above.

77. Which of the following is considered a core driver of the information age?
   A. Fact.
   B. Goods.
   C. Competitive Intelligence.
   D. Data.

78. Which of the following is considered a core driver of the information age?
   A. Information.
   B. Business Intelligence.
   C. Knowledge.
   D. All of the above.
79. Why do students need to study information technology?
   A. Information technology is everywhere in business
   B. Information technology is rarely discussed in business
   C. Information technology is rarely used in organizations
   D. Information technology is found in only a few businesses

80. Why do students need to study information technology?
   A. Information technology is everywhere in business
   B. Information technology is frequently discussed in business
   C. Information technology is frequently used in organizations
   D. All of the above.

81. What is the confirmation or validation of an event or object?
   A. Fact.
   B. Data.
   C. Information technology.
   D. All of the above.

82. The age we live in has infinite quantities of facts that are widely available to anyone who can use a
   computer. What age is this statement referring to?
   A. Data age.
   B. Information age.
   C. Business intelligence age.
   D. All of the above.

83. Which of the following is not a technology company but used technology to revamp the business process
   of selling books?
   A. Netflix.
   B. Dell.
   C. Zappos.
   D. Amazon.

84. Which of the following is not a technology company but used technology to revamp the business process
   of renting videos?
   A. Netflix.
   B. Dell.
   C. Zappos.
   D. Amazon.

85. Which of the following is not a technology company but used technology to revamp the business process
   of selling shoes?
   A. Netflix.
   B. Dell.
   C. Zappos.
   D. Amazon.

86. What is data?
   A. Raw facts that describe the characteristics of an event or object.
   B. Data converted into a meaningful and useful context.
   C. Information collected from multiple sources that analyzes patterns, trends, and relationships for
      strategic decision making.
   D. Skills, experience, and expertise, coupled with information and intelligence, that creates a person’s
      intellectual resources.
87. What is information?
   A. Raw facts that describe the characteristics of an event or object.
   B. Data converted into a meaningful and useful context.
   C. Information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making.
   D. Skills, experience, and expertise, coupled with information and intelligence that creates a person’s intellectual resources.

88. What is business intelligence?
   A. Raw facts that describe the characteristics of an event or object.
   B. Data converted into a meaningful and useful context.
   C. Information collected from multiple sources that analyzes patterns, trends, and relationships for strategic decision making.
   D. Skills, experience, and expertise, coupled with information and intelligence, that creates a person’s intellectual resources.

89. Which of the following is considered information?
   A. Quantity sold
   B. Date sold
   C. Best-selling item by month
   D. All of the above

90. Which of the following is considered data?
   A. Quantity sold
   B. Best customer by month
   C. Best selling item by month
   D. Worst selling item by month

91. Cheryl Steffan is the operations manager for Nature's Bread Company, which specializes in providing natural products for health conscious individuals. Cheryl is responsible for compiling, analyzing, and evaluating daily sales numbers to determine the company's profitability and forecast production for the next day. Which of the following is an example of a piece of data Cheryl would be using to successfully perform her job?
   A. Craig Newmark is customer number 15467.
   B. Compare the costs of supplies including energy over the last five years to determine the best-selling product by month.
   C. Best-selling product by day.
   D. Best-selling product changes when Tony the best baker is working.

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

95. Data is useful for understanding individual sales, but to gain deeper insight into a business data needs to be turned into information. Which of the following offers an example of turning data into information?
   A. Who are my best customers?
   B. What is my best-selling product?
   C. What is my worst-selling product?
   D. All of the above

96. Which of the following provides an example of information?
   A. Who is customer number 12345XX?
   B. What is product number 12345XX?
   C. What customer number is Bob Smith?
   D. What is my worst-selling product?

97. Which of the following provides an example of data?
   A. Who are my best customers?
   B. What is my best-selling product?
   C. What is my worst-selling product?
   D. Who is customer number 12345XX?

98. Business intelligence is information collected from multiple sources. Which of the following provides an example of a source that would be included in business intelligence?
   A. Suppliers.
   B. Customers.
   C. Competitors.
   D. All of the above.

99. Knowledge includes the skills, experience, and expertise coupled with information and _________ that creates a person's intellectual resources.
   A. Resources.
   B. Intelligence.
   C. Expectations.
   D. Enterprise information.
100. Which of the following is not a topic associated with the information age?
   A. Collection of data.
   B. Storage of data.
   C. College statistics for data.
   D. Use of data.

101. Which of the following represents the core drivers of the information age?
   A. Data, Information, Business Intelligence, Knowledge.
   B. Fact, Data, Intelligence, Experience.
   C. Fact, Intelligence, Business Skills, Knowledge.
   D. Data, Intelligence, Business Information, Knowledge.

102. Which of the following is not a core driver of the information age?
   A. Information.
   B. Knowledge.
   C. Fact.
   D. Data.

103. Which of the following represents the definition of a variable?
   A. A data characteristic that is collected through competitive intelligence and cannot change over time.
   B. A data characteristic that stands for a value that changes or varies over time.
   C. A data characteristic that stands for a value that does not change or vary over time.
   D. A data characteristic that is collected only through competitive intelligence and can change over time.

104. Today's workers are referred to as ____________ and they use BI along with personal experience to make decisions based on both information and intuition, a valuable resource for any company.
   A. Knowledge workers
   B. Knowledge thinkers
   C. Knowledge resources
   D. All of the above

105. What is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making?
   A. Supplier's intelligence.
   B. Social intelligence.
   C. Employee intelligence.
   D. Business intelligence.

106. Information is data converted into useful, meaningful context. What are data characteristics that change or vary over time?
   A. Facts.
   B. Variables.
   C. Supplies.
   D. Vulnerable.

107. Which of the below is the key term that defines the confirmation or validation of an event or object?
   A. Buyer power.
   B. Data.
   C. Fact.
   D. Entry barrier.

108. What is data converted into a meaningful and useful context called?
   A. Competitive intelligence.
   B. Information.
   C. Buyer power.
   D. First-mover advantage.
109. As companies move from data to knowledge, they will start to include more and more variables for analysis resulting in better, more precise support for____________.
A. Decision making.
B. Problem solving.
C. Both A & B.
D. None of the above.

110. How are the majority of companies today typically organized?
A. By departments or functional areas.
B. By departments or financial areas.
C. By degree or financial areas.
D. All of the above.

111. How does the text recommend that a company operate if it wants to be successful in the information age?
A. Functionally independent between departments.
B. Interdependently between departments.
C. Together as one department with little or no independence.
D. Each department acting as its own individual business unit.

112. Most companies are typically organized by departments or functional areas. Which of the following is not a common department found in a company?
A. Accounting.
B. Payroll.
C. Marketing.
D. Human Resources.

113. Which of the following is typically performed by the sales or marketing department?
A. Manage enterprise-wide processes.
B. Maintain employment policies.
C. Manage cross-enterprise processes.
D. Maintain transactional data.

114. The sales department needs to rely on information from operations to understand __________.
A. Inventory.
B. Customer orders.
C. Demand forecasts.
D. All of the above.

115. Which of the following represents the department that maintains policies, plans, and procedures for the effective management of employees?
A. Human Resources.
B. Sales.
C. Employee Resources.
D. Employee Relations.

116. Greg works for Geneva Steel Corporation. Greg's duties include managing the overall processes for the company and transforming the steel resources into goods. Which department would Greg most likely work in?
A. Accounting.
B. Operations.
C. Marketing.
D. CIO.
117. Information technology can enable departments to more efficiently and effectively perform their core ________.
   A. Facts.
   B. Feedback mechanisms.
   C. Business operations.
   D. Media issues.

118. The department within a company that records, measures, and reports monetary transactions is called ________.
   A. Accounting.
   B. Marketing.
   C. Finance.
   D. Operations Management.

119. The department within a company that performs the function of selling goods or services is called ________:
   A. Marketing.
   B. Sales.
   C. Finance.
   D. Operations Management.

120. The department within a company that supports the sales by planning, pricing, and promoting goods or services is called ________.
   A. Sales.
   B. Operations Management.
   C. Accounting.
   D. Marketing.

121. Which of the following represents the relationship between functional areas in a business?
   A. Independent
   B. Autonomous
   C. Interdependent
   D. Self-sufficient

122. Which of the following represents the types of data commonly found in the accounting department?
   A. Monetary data.
   B. Technology data.
   C. Production data.
   D. Employee data.

123. Which of the following represents the types of data commonly found in the finance department?
   A. Monetary data.
   B. Technology data.
   C. Production data.
   D. Employee data.

124. Which of the following represents the types of data commonly found in the human resource department?
   A. Monetary data.
   B. Technology data.
   C. Production data.
   D. Employee data.

125. Which of the following represents the types of data commonly found in the sales department?
   A. Monetary data.
   B. Transactional data.
   C. Production data.
   D. Employee data.
126. Which of the following represents the types of data commonly found in the marketing department?
   A. Monetary data.
   B. Transactional data.
   C. Production data.
   D. Employee data.

127. Which of the following represents the types of data commonly found in the operations management department?
   A. Monetary data.
   B. Transactional data.
   C. Production data.
   D. Employee data.

128. Which of the following statements is true?
   A. IT equals business success.
   B. IT equals business innovation.
   C. IT represents business success and innovation.
   D. IT enables business success and innovation.

129. What is the name of a company's internal MIS department?
   A. Management information systems (MIS)
   B. Information systems (IS)
   C. Information technology (IT)
   D. All of the above

130. What are material items or products that customer's will buy to satisfy a want or need?
   A. Goods
   B. Services
   C. Production
   D. Productivity

131. What are tasks performed by people that customers will buy to satisfy a want or need?
   A. Goods
   B. Services
   C. Production
   D. Productivity

132. What is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services?
   A. Goods
   B. Services
   C. Production
   D. Productivity

133. What is the rate at which goods and services are produced based upon total output given total inputs?
   A. Goods
   B. Services
   C. Production
   D. Productivity

134. What are goods?
   A. Material items or products that customers will buy to satisfy a want or need.
   B. Tasks performed by people that customers will buy to satisfy a want or need.
   C. The process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.
   D. The rate at which goods and services are produced based upon total output given total inputs
135. What are services?
   A. Material items or products that customers will buy to satisfy a want or need.
   B. Tasks performed by people that customers will buy to satisfy a want or need.
   C. The process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.
   D. The rate at which goods and services are produced based upon total output given total inputs

136. What is production?
   A. Material items or products that customers will buy to satisfy a want or need.
   B. Tasks performed by people that customers will buy to satisfy a want or need.
   C. The process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.
   D. The rate at which goods and services are produced based upon total output given total inputs

137. What is productivity?
   A. Material items or products that customers will buy to satisfy a want or need.
   B. Tasks performed by people that customers will buy to satisfy a want or need.
   C. The process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.
   D. The rate at which goods and services are produced based upon total output given total inputs

138. Cars, groceries, and clothing belong in which category?
   A. Goods
   B. Services
   C. Production
   D. Productivity

139. Teaching, waiting tables, and cutting hair belong in which category?
   A. Goods
   B. Services
   C. Production
   D. Productivity

140. Which of the following is considered a good?
   A. Cars
   B. Groceries
   C. Clothing
   D. All of the above

141. Which of the following is considered a service?
   A. Teaching
   B. Waiting tables
   C. Cutting hair
   D. All of the above

142. Which of the following is considered a good?
   A. Cars
   B. Teaching
   C. Waiting tables
   D. All of the above

143. Which of the following is considered a service?
   A. Cars
   B. Groceries
   C. Cutting hair
   D. All of the above
144. Which of the following is considered a good?
   A. Milk and eggs
   B. Managing a team
   C. Selling groceries
   D. All of the above

145. Which of the following is considered a service?
   A. Selling groceries
   B. Managing a team
   C. Cutting hair
   D. All of the above

146. Lettuce, tomatoes, patty, bun, and ketchup are included in which category of making a hamburger?
   A. Input
   B. Process
   C. Output
   D. All of the above

147. Cooking a patty and putting the ingredients together are included in which category of making a hamburger?
   A. Input
   B. Process
   C. Output
   D. All of the above

148. The actual hamburger is included in which category of making a hamburger?
   A. Input
   B. Process
   C. Output
   D. All of the above

149. Assume you are in the business of producing and selling hamburgers. If you could produce more hamburgers with the same input what would happen to your productivity and profits assuming the price of your hamburgers remains the same?
   A. Increase in productivity, decrease in profits
   B. Increase in productivity, increase in profits
   C. Decrease in productivity, decrease in profits
   D. Decrease in productivity, increase in profits

150. Assume you are in the business of producing and selling t-shirts. If you could produce more t-shirts with the same input what would happen to your productivity and profits assuming the price of your t-shirts remains the same?
   A. Increase in productivity, decrease in profits
   B. Increase in productivity, increase in profits
   C. Decrease in productivity, decrease in profits
   D. Decrease in productivity, increase in profits

151. Assume you are in the business of producing and selling cars. If you could produce more cars with the same input what would happen to your productivity and profits assuming the price of your cars remains the same?
   A. Increase in productivity, decrease in profits
   B. Increase in productivity, increase in profits
   C. Decrease in productivity, decrease in profits
   D. Decrease in productivity, increase in profits
152. Which four elements are included in systems thinking?
   A. Output, Process, Feedback, and Accounting.
   B. Process, Output, Operations, and Accounting.
   C. Input, Process, Output, and Feedback.
   D. Input, Output, Sales, and Feedback.

153. MIS is a business function, like accounting or sales, which moves information about people, products, and processes across the company to facilitate decision making and problem solving. What does MIS stand for?
   A. Management Information Strategy.
   B. Management Intelligence System.
   C. Management Information System.
   D. Management Information Strategist.

154. Shelby Black runs a very successful hair salon in downtown Los Angeles. One of Shelby’s tasks is to input positive and negative customer reviews into her computer system. What type of information is Shelby gathering?
   A. Feedback.
   B. Processing.
   C. Output management.
   D. Sales processing.

155. Who is responsible for collecting, maintaining, and distributing company knowledge?
   A. Chief Knowledge Officer (CKO).
   B. Chief Privacy Officer (CPO).
   C. Chief Technology Officer (CTO).
   D. Chief Information Officer (CIO).

156. Who is responsible for ensuring the ethical and legal use of information within a company?
   A. Chief Knowledge Officer (CKO).
   B. Chief Privacy Officer (CPO).
   C. Chief Technology Officer (CTO).
   D. Chief Information Officer (CIO).

157. Who is responsible for ensuring the speed, accuracy, availability, and reliability of the management information systems?
   A. Chief Knowledge Officer (CKO).
   B. Chief Privacy Officer (CPO).
   C. Chief Technology Officer (CTO).
   D. Chief Information Officer (CIO).

158. Who is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives?
   A. Chief Knowledge Officer (CKO).
   B. Chief Privacy Officer (CPO).
   C. Chief Technology Officer (CTO).
   D. Chief Information Officer (CIO).

159. Who is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks by hackers and viruses?
   A. Chief Knowledge Officer (CKO).
   B. Chief Security Officer (CSO).
   C. Chief Technology Officer (CTO).
   D. Chief Information Officer (CIO).
160. Trina Hauger works for Johnson Electric as a corporate lawyer and part of her duties are to ensure the ethical and legal use of information within the company. Which of the following represents Trina's role at Johnson Electric?
   A. Chief Knowledge Officer (CKO).
   B. Chief Privacy Officer (CPO).
   C. Chief Technology Officer (CTO).
   D. Chief Information Officer (CIO).

161. The challenge that companies today sometimes have is that they are departmentalized and act independently of each other. One solution that can help a company work interdepartmentally includes
   A. System processes.
   B. Human resources.
   C. Management information systems.
   D. Resource information systems.

162. Susan Stewart is an executive at Equity Title where she is responsible for collecting, maintaining and distributing knowledge for the company. What is Susan's role at Equity Title?
   A. Chief Knowledge Officer (CKO).
   B. Chief Technology Officer (CTO).
   C. Chief Information Officer (CIO).
   D. Chief Security Officer (CSO).

163. What is the primary responsibility of the CTO?
   A. Overseeing all uses of MIS.
   B. Ensuring the security of business systems.
   C. Ensuring speed, accuracy, and reliability for MIS.
   D. Collecting and distributing company information.

164. What is a way of monitoring the entire system in a company, by viewing the multiple inputs being processed to produce outputs?
   A. Feedback thinking.
   B. Systems thinking.
   C. Output management.
   D. Operational thinking.

165. Jeremy Bridges is an executive for Green Web Designs, where his primary role is to ensure the security of business systems and develop strategies to protect the company from online viruses and hackers. What is Jeremy's role within the company?
   A. Chief Executive Officer (CEO).
   B. Chief Security Officer (CSO).
   C. Chief Procurement Officer (CPO).
   D. Chief Technology Officer (CTO).

166. Feedback is information that returns to its original transmitter and modifies the transmitter's actions. What would the original transmitter include?
   A. Input, Transform, Output.
   B. Input, Transform, Outnumber.
   C. Output, Input, Performer.
   D. Input, Process, Transform.

167. MIS is a business function. Which of the following does MIS perform to help aid the company in decision making and problem solving?
   A. Moves information about people.
   B. Moves processes across the company to improve systems.
   C. Moves information about products.
   D. All of the above.
168. A system is a collection of parts that link to achieve a common purpose. Systems thinking is a way of monitoring ________________.
   A. The entire system.
   B. A division within the sales role.
   C. The executive team.
   D. The company's competitors.

169. MIS can be an important enabler of business success and innovation. Which of the below statements is accurate when referring to MIS?
   A. MIS equals business success and innovation.
   B. MIS represents business success and innovation.
   C. MIS is not a valuable tool that leverages talent.
   D. MIS is a valuable tool that can leverage the talents of people who know how to use and manage it effectively.

170. Which role within a company is responsible for overseeing all uses of MIS and ensuring that MIS strategic aligns with business goals and objectives?
   A. Chief Knowledge Officer (CKO).
   B. Chief Privacy Officer (CPO).
   C. Chief Information Officer (CIO).
   D. Chief Security Officer (CSO).

171. Which of the following provides an accurate definition of systems thinking?
   A. A way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part.
   B. A way of monitoring individual components including an input, the process, and an output, while continuously gathering feedback on the entire system.
   C. A way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on the entire system.
   D. A way of monitoring singular parts of a system by viewing a single input that is processed or transformed to produce an entire system that is continuously monitored to gather feedback on each individual part.

172. If you were thinking about a washing machine as a system which of the following represents the inputs?
   A. The dirty clothes, water, and detergent.
   B. The clean clothes.
   C. The wash and rinse cycle.
   D. The light indicating that the washer is off balance and has stopped.

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A. The dirty clothes, water, and detergent.
B. The clean clothes.
C. The wash and rinse cycle.
D. The light indicating that the washer is off balance and has stopped.

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

A. The uncooked food.
B. The cooked food.
C. A light indicating that the oven has reached the preheated temperature.
D. The oven running at 350 degrees for 20 minutes.

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

A. The uncooked food.
B. The cooked food.
C. A light indicating that the oven has reached the preheated temperature.
D. The oven running at 350 degrees for 20 minutes.

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

A. The uncooked food.
B. The cooked food.
C. A light indicating that the oven has reached the preheated temperature.
D. The oven running at 350 degrees for 20 minutes.

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

A. The uncooked food.
B. The cooked food.
C. A light indicating that the oven has reached the preheated temperature.
D. The oven running at 350 degrees for 20 minutes.

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

A. The DVD player, DVD movie, speakers, TV, and electricity.
B. Playing the movie including the audio through the speakers and the video on the TV.
C. A message stating that the disk is dirty and cannot be played.
D. Spinning the disk to play, pause, rewind, or fast forward.

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

A. The DVD player, DVD movie, speakers, TV, and electricity.
B. Playing the movie including the audio through the speakers and the video on the TV.
C. A message stating that the disk is dirty and cannot be played.
D. Spinning the disk to play, pause, rewind, or fast forward.

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A. The DVD player, DVD movie, speakers, TV, and electricity.
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183. If you were thinking about a home theater system which of the following represents the feedback?

A. The DVD player, DVD movie, speakers, TV, and electricity.
B. Playing the movie including the audio through the speakers and the video on the TV.
C. A message stating that the disk is dirty and cannot be played.
D. Spinning the disk to play, pause, rewind, or fast forward.
184. Which of the following is not a typical way that a company would duplicate a competitive advantage?

A. Acquiring the new technology.
B. Copying the business operations.
C. Hiring away key employees.
D. Carrying large product inventories.

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

A. FedEx – the online self-service software.
B. Apple – iPad.
C. Apple – iPod.
D. Microsoft - Bing Search Engine.

186. A business strategy achieves a specific set of goals which include ____________.

A. Developing new products or services, attracting new competition.
B. Increasing costs, attracting new competition.
C. Attracting new customers, developing new products or services.
D. All of the above.

187. Competitive intelligence is the process of gathering information about the competitive environment, including ____________.

A. Competitors’ employees.
B. Competitors’ differentiated processes.
C. Competitors’ plans.
D. All of the above.

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

A. The three generic strategies.
B. The threat of substitute buyer power.
C. Differentiated costs.
D. Supplier loyalty.

189. Identifying competitive advantages can be difficult and explains why they are typically ____________.

A. Temporary.
B. Satisfactory.
C. Terminated.
D. Unsuccessful.

190. Updating business strategies is a continuous undertaking as internal and external environments ____________.

A. Become less competitive.
B. Remain stagnant.
C. Rapidly change.
D. Become more consistent.

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

A. The competitor will hire away your key employees.
B. The competitor quickly seeks ways to duplicate your business operations.
C. The competitor will purchase new technology.
D. All of the above.
192. What is a competitive advantage?
   A. A product that an organization's customers place a lesser value on than similar offerings from a competitor.
   B. A feature of a product or service on which customers place a lesser value than they do on similar offerings from a supplier.
   C. A service that an organization's customers place a lesser value on than similar offerings from a supplier.
   D. A feature of a product or service on which customers place a greater value than they do on similar offerings from competitors.

193. All of the following are common tools used in industry to analyze and develop competitive advantages, except:
   A. Five Forces Model
   B. Three Generic Strategies
   C. Competitive analysis model
   D. Value chain analysis

194. Greg Provenzo owns and runs a Blockbuster video store. Greg is implementing a drive-thru rental process that is the same as you would find at a fast food restaurant. Customers can pick-up and drop-off their videos without leaving their cars. Greg's new system has become so popular that Videos Plus, a competitor down the street, is attempting to recreate Greg's video drive-thru rental process. Greg's system is an example of a _________.
   A. Supply chain power.
   B. First-mover advantage.
   C. Business processing strategy.
   D. Business Intelligence.

195. The process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed is the definition of _________.
   A. Feedback.
   B. Information.
   C. Competitive intelligence.
   D. Data.

196. Steve Jobs and Apple created a big advantage in the technology industry with the introduction of the iPod, iPhone, and iPad. What are these all examples of?
   A. Competitive advantage
   B. Competitive intelligence
   C. First-mover advantage
   D. All of the above

197. Paula Logston is the owner and operator of a high-end online custom clothing company. Paula has never heard of Porter's Five Forces model and she wants to understand why she would perform an analysis using it. If you were tasked with explaining Porter's Five Forces model to Paula what would be the primary reason she would want to use this type of analysis?
   A. To help Paula choose a clothing business focus.
   B. To help Paula evaluate the attractiveness of the clothing industry.
   C. To help Paula evaluate and execute business goals.
   D. All of the above.

198. A ________ advantage features a product or service on which customers place a greater value than they do on similar offerings from competitors.
   A. Competitive advantage
   B. Competitor advantage
   C. Power advantage
   D. First-mover advantage
199. The Victory Wireless store in Denver is currently offering a fabulous marketing strategy for potential new iPhone customers. Victory Wireless offers customers who purchase an iPhone with a 2-year subscription, a free Otter phone case, car charger, ear phones, and speakers. In terms of Porter's Five Forces what is Victory Wireless attempting to achieve with this marketing strategy?  
A. Increase buyer power.  
B. Increase substitute products.  
C. Decrease supplier power.  
D. Decrease buyer power.

200. Gina Brooks works for Aquarium Retail Services selling high-end salt water fish and tank supplies. Aquarium Retail Services is the current market leader in Gina's city. Gina has recently been approached by Deep Blue Incorporated with an opportunity to run its corporate nation-wide marketing and sales division. Gina decides to jump at the opportunity! Deep Blue is attempting to gain a competitive ________ by stealing its competitor's key employees.  
A. Power  
B. Entry Barrier  
C. Advantage  
D. Loyalty

201. The banking industry has implemented several competitive advantages including ATM's, online bill pay services, and electronic statements. Of course, these competitive advantages were quickly duplicated by any competitor that wanted to remain in the banking industry. These were all examples of __________ competitive advantages.  
A. Acquiring new technology products and services  
B. Hiring new employees  
C. Reducing expenses  
D. Gaining invaluable feedback from customers

202. Michael Porter defined the Five Forces Model and the potential pressures that can hurt sales. Which of the following is not one of the potential pressures that can hurt sales?  
A. Suppliers can drive down profits by charging more for supplies.  
B. New market entrants can steal potential investment capital.  
C. Substitute products can steal customers.  
D. Competition can steal customers.

203. Which of the following is included in Porter's Five Forces Model?  
A. Loyalty expenses.  
B. Supply chain management.  
C. The power of competitors.  
D. Systems thinking.

204. Kevin Campbell is an incoming freshman at your college. Kevin is frustrated by the cost of books, tuition, and expenses and he also needs to purchase a rather expensive laptop. In an effort to save money, Kevin beings a Facebook group finding other college students who need to purchase laptops. Soon, Kevin's Facebook group has close to 100,000 students. Kevin decides to collectively approach different computer companies to see if his group qualifies for a special discount. What business strategy is Kevin using to purchase laptops?  
A. Collecting business intelligence.  
B. Decreasing entry barriers.  
C. Purchasing a substitute product.  
D. Increasing buyer power.

205. What are costs that make customers reluctant to switch to another product or service?  
A. Support activities.  
B. Switching costs.  
C. Loyalty rewards.  
D. Value chain activities.
206. Callie Crystal owns and operates one of the most successful local coffee shops in Denver, called The Edgewater Café. Each time a customer purchases their 100th cup of coffee at The Edgewater Café they receive a free pound of coffee of their choice. What is Callie attempting to create with her unique "Free Pound of Coffee" marketing program?
   A. Reducing buyer power with a loyalty program.
   B. Increasing buyer power with a loyalty program.
   C. Decreasing supplier power with a differentiated product.
   D. Creating a substitute product.

207. What includes all parties involved, directly or indirectly, in obtaining raw materials or a product?
   A. Support chain.
   B. Supply chain.
   C. System chain.
   D. Supply choice.

208. Which of the below represents a company in a supply chain?
   A. Customer and competitor.
   B. Supplier and competitor.
   C. Knowledge worker and supplier.
   D. Supplier and customer.

209. In the center of Porter's Five Forces model is competition. Which of the below represents the four outer boxes?
   A. Buyer power, systems power, threat of false entrants, and threat of substitute products or services
   B. Buyer power, systems power, threat of new entrants, and threat of substitute products or services
   C. Buyer power, supplier power, threat of new entrants, and threat of substitute products or services
   D. Business power, supplier power, threat of new entrants, and threat of powerful services

210. Shawn McGill is on the executive board for ABC pharmaceuticals. The company produces the number one selling cancer fighting drug on the market. Due to its incredible success ABC pharmaceuticals has decided to increase the cost of the drug from $8 a pill to $15 a pill. Which force is ABC pharmaceutical using to increase its drug price?
   A. Supplier power.
   B. Buyer power.
   C. Threat of false entrants.
   D. Business power.

211. What is one of the most common ways a company can decrease supplier power?
   A. Charge lower prices.
   B. Charge higher prices.
   C. Use MIS to find and create alternative products.
   D. Companies cannot impact supplier power.

212. If a supplier has high power what can it do to influence its industry?
   A. Charge higher prices.
   B. Shift costs to industry participants.
   C. Limit quality or services.
   D. All of the above.

213. When buyer power is low, supplier power is typically ______.
   A. Identical.
   B. High.
   C. Low.
   D. Unstable.
214. How can a company reduce the threat of substitute products or services?
   A. Market the product to less than ten customers.
   B. Ignore competitive forces.
   C. Offer additional value through wider product distribution.
   D. Offer less value making the product far more generic and similar to the competition.

215. Which one of Porter's Five Forces is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market?
   A. Threat of new entrants.
   B. Threat of substitute products or services.
   C. Threat of buyer power.
   D. Supply chain competition.

216. John Cleaver is the CEO of Tech World, which is a retail store that sells computers, monitors, cameras, televisions and many other electronic products. John and his executive team are meeting to brainstorm new ideas on how to grow the business. One idea is to mimic a competitor's product that is attempting to sell a new product in a different industry. After performing a Porter's Five Forces analysis John determines that all of the forces are high in this new industry. What should John do?
   A. Explode into the market with an overflow of the product.
   B. Contemplate other products to introduce at the same time in this new market.
   C. Compare the competitor's prices and offer his product lower in this new market.
   D. Not introduce the product because all five forces are strong and this would be a highly risky business strategy.

217. What is a feature of a product or service that customers have come to expect and entering competitors must offer the same if they want to survive?
   A. Significant barrier.
   B. Entry barrier.
   C. Product differentiation.
   D. Entry chain.

218. Which of the following represents a typical supply chain?
   A. Company – Customers – Suppliers.
   B. Company – Suppliers – Customers.
   C. Suppliers – Company – Customers.
   D. Suppliers – Customers – Company.

219. Imagine you are creating a new product to sell in an up-and-coming market. Which of the below statements indicates that it would be easy for you as the new entrants to compete in this market?
   A. The threat of new entrants force is high in the up-and-coming market.
   B. The threat of new entrants force is low in the up-and-coming market.
   C. The threat of new entrants force is impossible to define in the up-and-coming market.
   D. All of the above depending on the time of year.

220. Imagine you are creating a new product to sell in an up-and-coming market. Which of the below statements indicates that it would be difficult for you to enter this new market?
   A. The threat of new entrants force is high in the up-and-coming market.
   B. The threat of new entrants force is low in the up-and-coming market.
   C. The threat of new entrants force is high during the summer months in the up-and-coming market.
   D. All of the above depending on the time of year.

221. Which of the following offers an example where Porter's Five Forces are mostly strong and competition is high?
   A. A dog walking business.
   B. A ski resort.
   C. A professional hockey team.
   D. All of the above.
222. Which of the following offers an example where Porter's Five Forces are mostly weak and competition is low?
   A. An international hotel chain purchasing milk.
   B. A coffee shop.
   C. A single consumer purchasing milk.
   D. A dog walking business.

223. Some industries' competition is much more intense than others. Retail grocery stores such as Kroger, Safeway, and Albertson's in the United States experience fierce competition and offer similar marketing campaigns to compete. What is this an example of in terms of Porter's Five Forces?
   A. Rivalry among new entrants.
   B. Rivalry among existing competitors.
   C. Threat of substitute products or services.
   D. Buyer power.

224. Amazon.com uses a customer profiling system whenever a customer visits its website. Using this system, Amazon can offer products tailored to that particular customer's profile and buying pattern. What is Amazon using to achieve this competitive advantage?
   A. Rivalry.
   B. Buyer power.
   C. Product differentiation.
   D. Substitute product.

225. Your boss, Ty Jacob, has asked you to analyze the music industry using Porter's Five Forces model. Which of the following represents supplier power in the music industry?
   A. Established record labels like EMI, Sony, Universal.
   B. Walmart, Target, iTunes.
   C. Game systems like Wii, social networks like Facebook.

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   A. Established record labels like EMI, Sony, Universal.
   B. Walmart, Target, iTunes.
   C. Independent record labels.
   D. Game systems like Wii, social networks like Facebook.

227. Your boss, Ty Jacob, has asked you to analyze the music industry using Porter's Five Forces model. Which of the following represents the threat of substitute products or services in the music industry?
   A. Established record labels like EMI, Sony, Universal.
   B. Independent record labels.
   C. Game systems like Wii, social networks like Facebook.

228. Your boss, Kerry Miller, has asked you to analyze the soft drink industry using Porter's Five Forces model. Which of the following represents supplier power in the soft drink industry?
   A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
   B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
   C. Zevia Natural Diet Soda begins selling directly over the Internet.
   D. Vitamin water, fruit juice, coffee.

229. Your boss, Kerry Miller, has asked you to analyze the soft drink industry using Porter's Five Forces model. Which of the following represents buyer power in the soft drink industry?
   A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
   B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
   C. Zevia Natural Diet Soda begins selling directly over the Internet.
   D. Vitamin water, fruit juice, coffee.
230. Your boss, Kerry Miller, has asked you to analyze the soft drink industry using Porter's Five Forces model. Which of the following represents a threat of a new entrant in the soft drink industry?
A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
C. Zevia Natural Diet Soda begins selling directly over the Internet.
D. Vitamin water, fruit juice, coffee.

231. Your boss, Kerry Miller, has asked you to analyze the soft drink industry using Porter's Five Forces model. Which of the following represents a substitute product in the soft drink industry?
A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
C. Zevia Natural Diet Soda begins selling directly over the Internet.
D. Vitamin water, fruit juice, coffee.

232. Your boss, Kerry Miller, has asked you to analyze the soft drink industry using Porter's Five Forces model. Which of the following represents rivalry in the soft drink industry?
A. Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
B. Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
C. Zevia Natural Diet Soda begins selling directly over the Internet.
D. Coke and Pepsi submit bids to the owner of a football stadium for the exclusive sale of their products during games.

233. Porter identified three generic strategies that a business could follow after identifying a market it wanted to enter. Which of the following is not included as one of Porter's three generic strategies?
A. Broad differentiation.
B. Supplier cost differentiation.
C. Focused strategy.
D. Broad cost leadership.

234. When analyzing Porter's three generic strategies for entering a market, if you have a focused strategy what market should you target?
A. A niche market.
B. A broad market.
C. Neither niche or broad markets.
D. Both niche and broad markets.

235. Which of the following offers an example of a company operating in a narrow-focused market operating as the low-cost provider?
A. Walmart.
B. Tiffany & Co.
C. Neiman Marcus.
D. Payless Shoes.

236. Broad differentiation, broad cost leadership, and ________ create the three generic strategies identified by Porter.
A. Narrow market leadership
B. High cost versus low cost
C. Focused strategy
D. None of the above
237. Jennifer Bloom is writing a paper and she must determine which of Porter's three generic strategies The Museum Company has implemented. Jennifer finds out that The Museum Company offers specialty products found only in museums around the world to affluent customers. What would Jennifer determine The Museum Company is using as its generic strategy?
A. Broad market, low cost.
B. Narrow market, high cost.
C. Broad market, high cost.
D. Narrow market, low cost.

238. According to Porter companies that wish to dominate broad markets should operate using a ______ strategy.
A. Cost leadership with a low cost
B. Differentiation with a low cost
C. Cost leadership with a high cost
D. All of the above

239. Which of the following demonstrates a company that has implemented a low cost, broad market strategy?
A. Neiman Marcus.
B. Payless Shoes.
C. The Sharper Image.
D. Walmart.

240. If a business is following a focused strategy then its competitive scope is ______.
A. Broad market.
B. Narrow market.
C. Broad range products.
D. Broad range of services.

241. When applying Porter's three generic strategies, Tiffany & Co. has a competitive scope and cost strategy that is _______.
A. Broad market – high cost strategy.
B. Narrow market – low cost strategy.
C. Narrow market – high cost strategy.
D. Broad market – low cost strategy.

242. When analyzing the book store industry, some of today's businesses compete with different business strategies and cost strategies. Which of the following is using a broad market competitive scope along with a low cost strategy?
A. Amazon.com.
B. Any local independent book store that specializes in antique books.
C. Barnes & Noble.
D. Borders books.

243. Which of the below is similar to focused strategy versus broad strategy?
A. Large market versus leadership.
B. Large market versus uniqueness.
C. Niche market versus large market.
D. Niche market versus generic.

244. Your boss, Tom Repicci, has asked you to analyze the airline industry using Porter's three generic strategies. Which of the following companies are using a cost leadership strategy?
A. Southwest, Horizon, Frontier, JetBlue.
B. British Airways, Singapore Airlines, Virgin Atlantic.
C. Sky Taxi – a rent by the hour personal plane service.
D. All of the above.
245. Your boss, Tom Repicci, has asked you to analyze the airline industry using Porter's three generic strategies. Which of the following companies are using a differentiation strategy?
   A. Southwest, Horizon, Frontier, JetBlue.
   B. British Airways, Singapore Airlines, Virgin Atlantic.
   C. Sky Taxi – a rent by the hour personal plane service.
   D. All of the above.

246. Your boss, Tom Repicci, has asked you to analyze the airline industry using Porter's three generic strategies. Which of the following companies are using a focused strategy?
   A. Southwest, Horizon, Frontier, JetBlue.
   B. British Airways, Singapore Airlines, Virgin Atlantic.
   C. Sky Taxi – a rent by the hour personal plane service.
   D. All of the above.

247. When reviewing Porter's value chain analysis, which of the below provides customer support after the sale of goods and services?
   A. Inbound logistics.
   B. Outbound logistics.
   C. Operations.
   D. Service.

248. Which of the below represents procurement as part of the support value activities in a value chain analysis?
   A. Purchases inputs such as raw materials, resources, equipment and supplies.
   B. Applies MIS to processes to add value.
   C. Distributes goods and services to customers.
   D. Promotes, prices, and sells products to customers.

249. What includes support value activities and primary value activities and is used to determine how to create the greatest possible value for customers?
   A. Supplier power.
   B. Operations management.
   C. Porter's Five Forces Model.
   D. The Value Chain analysis.

250. What is a standardized set of activities that accomplishes a specific task?
   A. Business strategy.
   B. Business outcome.
   C. Business process.
   D. Knowledge process.

251. Which of the following analyzes a company's business processes and is useful for determining how to create the greatest possible value for customers?
   A. Product analysis.
   B. Primary supplier power.
   C. Value chain analysis.
   D. Buyer chain analysis.

252. The goal of value chain analysis is to identify processes in which the firm can add value for the customer and create a competitive advantage for itself, with a ______ or _____________.
   A. Focused strategy, product differentiation
   B. Focused strategy, cost advantage
   C. Cost advantage, primary value activities
   D. Cost advantage, product differentiation
253. What are the two main categories in a value chain analysis?
   A. Primary value activities & secondary value activities.
   B. Primary value activities & support value activities.
   C. Primary value activities & strengthening value activities.
   D. None of the above.

254. Which of the following is not considered a category within the primary value activities in a value chain analysis?
   A. Inbound logistics.
   B. Firm infrastructure.
   C. Operations.
   D. Service.

255. Which of the following is not considered a category within the support value activities in a value chain analysis?
   A. Technology development.
   B. Outbound logistics.
   C. Human resource management.
   D. Firm infrastructure.

256. What is the support value activity that provides employees with training, hiring, and compensation?
   A. Procurement.
   B. Operations resource management.
   C. Human resource management.
   D. Firm infrastructure.

257. Sandy Fiero works as the Chief Knowledge Officer for Bend Lumbar Company. She has been given the responsibility to create a product or service that will bring an added value to its customers to increase the company's revenue. Sandy determines that the best value she can add is by creating a service that offers free next day shipping on any order over $50. Where in the value chain is Sandy adding value?
   A. The primary value activity outbound logistics.
   B. The primary value activity inbound logistics.
   C. The primary value activity marketing and sales.
   D. The primary value activity operations.

258. When evaluating the value chain, all of the following are included in the primary value activities except:
   A. Inbound activities.
   B. Operations.
   C. Service.
   D. MIS development.

259. When evaluating the value chain, which of the following is included in the support value activities?
   A. Inbound activities.
   B. Marketing and sales.
   C. Firm infrastructure.
   D. Finance and sales.

260. Which of the following decisions does a firm need to make as soon as it has identified the activities from the value chain that are bringing the highest added value to their customers?
   A. Target high value-adding activities to further enhance their value.
   B. Target low value-adding activities to increase their value.
   C. Perform some combination of the two.
   D. All of the above.
261. MIS can add value to both primary activities and support activities in the value chain. Which of the following is an example of a company adding value by the use of MIS in a primary activity?
A. Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards, program, and other employee benefit items.
B. A system for the sales and marketing departments to track specific sales targets and follow up processes.
C. An easy electronic survey, similar to the survey monkey, to be sent to the customer right after a service was completed.
D. Royal Crest Dairy using their custom order and delivery system through an easily accessible Web portal for the customer to track delivery status.

262. MIS can add value to both primary and support activities within a business. Which of the following is not an example of a company adding value by the use of MIS in a support activity?
A. Netflix creating a business strategy for the video rental market that delivers videos via the mail.
B. The human resources department creates a tracking system to efficiently reward employees based on their performance.
C. Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards, program, and other employee benefit items.
D. The University of Forks creates a program to automatically order office supplies such as pens and pads of paper for its employees.

263. A __________ is the confirmation or validation of an event or object.
__________________________

264. The core drivers of the information age are data, knowledge, business intelligence and __________.
__________________________

265. Today's workers are commonly referred to as __________ workers who use business intelligence along with personal experience to make decisions.
__________________________

266. The information __________ is when infinite quantities of fact are widely available to anyone who can use a computer.
__________________________

267. Amazon is not a _____ company but it used technology to revamp the book selling business.
__________________________

268. __________ is not a technology company but it used technology to revamp the video rental business.
__________________________

269. __________ is not a technology company but it used technology to revamp the shoe business.
__________________________

270. Listing products that are about to expire first on the menu or creating them as a daily special to move the product is considered a type of ___________.
__________________________

271. Best-selling product by month compared to sports season and city team wins and losses is considered a type of business ___________.
__________________________

272. Companies are organized by departments. The __________ department is responsible for maintaining records, measures, and reports monetary transactions.
__________________________
273. The ________ management department in a company manages the process of converting or transforming of resources into goods or services.

274. The ________ department tracks strategic financial issues including money, banking, credit, investments, and assets.

275. The ________ resources department maintains policies, plans, and procedures for a company.

276. ________ is information that returns to its original transmitter and modifies the transmitter's actions.

277. A ________ is a collection of parts that link to achieve a common purpose.

278. A ________ strategy is a leadership plan that achieves a specific set of goals or objectives.

279. ________ are material items or products that customers will buy to satisfy a want or need.

280. ________ are tasks performed by people that customers will buy to satisfy a want or need.

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

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

283. A car is an example of a ________.

284. A hair cut is an example of a ________.

285. The Chief Information Officer is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with ________ goals and objectives.

286. The Chief Security Officer is responsible for ensuring the ________ of business systems and developing strategies and safeguards against attacks by hackers and viruses.

287. The Chief ________ Officer is responsible for collecting, maintaining, and distributing company knowledge.

288. The Chief ________ Officer is responsible for ensuring the speed, accuracy, availability, and reliability of the MIS.

289. The Chief ________ Officer is responsible for overseeing all uses of MIS and ensuring that MIS strategically aligns with business goals and objectives.
290. The Chief ______ Officer is responsible for ensuring the security of business systems and developing strategies and safeguards against attacks by hackers and viruses.

291. Business strategies that match ______ company competencies to opportunities result in a competitive advantage.

292. Competitive ______ is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed.

293. Apple utilized the first-mover ______ with its iPod product.

294. ______ costs is a common business strategy.

295. ______ new customers is a common business strategy.

296. ______ new markets is a common business strategy.

297. Michael Porter identified pressures that can hurt potential sales. Knowledgeable customers can force ______ prices by pitting rivals against each other.

298. The Porter's Five Forces Model analyzes the competitive forces within the environment in which a company operates to assess the potential for ______ in an industry.

299. ______ power measures the ability of buyers to affect the price they must pay for an item.

300. The threat of substitute products or services is _____ when there are many alternatives to a product or service and low when there are few alternatives from which to choose.

301. The ______ chain consists of all parties involved, directly or indirectly, in obtaining raw materials or a product.

302. Rivalry among existing competitors is ______ when competition is fierce in a market and low when competitors are more complacent.

303. Porter has identified three ______ business strategies for entering a new market: 1) broad cost leadership, 2) broad differentiation, and 3) focused strategy.

304. Focused strategies concentrate on either cost leadership or ______.

305. Porter suggests adopting only ______ of the three generic strategies.

306. A ______ chain analysis views a firm as a series of business processes that each adds value to the product or service.
307. Value activities found at the bottom of the value chain, these include business processes that acquire raw materials and manufacture, deliver, market, sell, and provide after-sales services.

308. Value activities are found along the top of the value chain and include business processes, such as firm infrastructure, human resource management, technology development, and procurement that support the primary value activities.

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

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

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

312. Explain why competitive advantages are temporary.

313. Describe Porter's Five Forces Model and explain each of the five forces.
314. Compare Porter's three generic strategies.

315. Demonstrate how a company can add value by using Porter's value chain analysis.
Chapter 01 Key

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Knowledge
Age
Technology
Netflix
Zappos
Knowledge
Intelligence
Accounting
Operations
Finance
Human
Feedback
System
Business
Goods
Services
Production
Productivity
Good
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Business
Security
Knowledge
Technology
Information
Security
Core
Intelligence
Advantage
Decreasing
Attracting
Entering
Down
Profitability
Buyer
High
Supply
High
We live in the information age, when infinite quantities of facts are widely available to anyone who can use a computer. The core drivers of the information age include data, information, business intelligence, and knowledge. Data are raw facts that describe the characteristics of an event or object. Information is data converted into a meaningful and useful context. Business intelligence (BI) is information collected from multiple sources such as suppliers, customers, competitors, partners, and industries that analyzes patterns, trends, and relationships for strategic decision making. Knowledge includes the skills, experience, and expertise, coupled with information and intelligence that creates a person's intellectual resources. As you move from data to knowledge you include more and more variables for analysis resulting in better, more precise support for decision making and problem solving.

Companies are typically organized by department or functional area such as accounting, finance, human resources, marketing, operations management, and sales. Although each department has its own focus and own data, none can work independently if the company is to operate as a whole. It is easy to see how a business decision made by one department can affect other departments. Functional areas are anything but independent in a business. In fact, functional areas are interdependent. Sales must rely on information from operations to understand inventory, place orders, calculate transportation costs, and gain insight into product availability based on production schedules. For an organization to succeed, every department or functional area must work together sharing common information and not be a "silo." Information technology can enable departments to more efficiently and effectively perform their business operations.

A system is a collection of parts that link to achieve a common purpose. Systems thinking is a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part. Feedback is information that returns to its original transmitter (input, transform, or output) and modifies the transmitter's actions. Feedback helps the system maintain stability. Management information systems (MIS) is a business function, like accounting and human resources, which moves information about people, products, and processes across the company to facilitate decision making and problem solving. MIS incorporates systems thinking to help companies operate cross-functionally. For example, to fulfill product orders, an MIS for sales moves a single customer order across all functional areas including sales, order fulfillment, shipping, billing, and finally customer service. Although different functional areas handle different parts of the sale, thanks to MIS, to the customer the sale is one continuous process.

A competitive advantage is a feature of a product or service on which customers place a greater value than they do on similar offerings from competitors. Competitive advantages provide the same product or service either at a lower price or with additional value that can fetch premium prices. Unfortunately, competitive advantages are typically temporary, because competitors often quickly seek ways to duplicate them. In turn, organizations must develop a strategy based on a new competitive advantage. Ways that companies duplicate competitive advantages include acquiring the new technology, copying business processes, and hiring away employees.

Porter's Five Forces Model analyzes the competitive forces within the environment in which a company operates, to assess the potential for profitability in an industry. Buyer power is the ability of buyers to affect the price they must pay for an item. Supplier power is the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services). Threat of substitute products or services is high when there are many alternatives to a product or service and low when there are few alternatives from which to choose. Threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to entering a market. Rivalry among existing competitors is high when competition is fierce in a market and low when competition is more complacent.

Organizations typically follow one of Porter's three generic strategies when entering a new market: (1) broad cost leadership, (2) broad differentiation, (3) focused strategy. Broad strategies reach a large market segment. Focused strategies target a niche market. Focused strategies concentrate on either cost leadership or differentiation.

To identify competitive advantages, Michael Porter created value chain analysis, which views a firm as a series of business processes that each adds value to the product or service. The goal of value chain analysis is to identify processes in which the firm can add value for the customer and create a competitive advantage for itself, with a cost advantage or product differentiation. The value chain groups a firm's activities into two categories—primary value activities and support value activities. Primary value activities acquire raw materials and manufacture, deliver, market, sell, and provide after-sales services. Support value activities, along the top of the value chain in the figure, include firm infrastructure, human resource management, technology development, and procurement. Not surprisingly, these support the primary value activities.
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