**GL BAJAJ**
Institute of Management & Research
Greater Noida
FIND YOUR SPARK

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306
**POST GRADUATE DIPLOMA IN MANAGEMENT (2025-27)**
**MID TERM EXAMINATION (TERM -II)**

| | |
|---|---|
| Subject Name: Information Systems for Business | Time: **01.00 hrs** |
| Sub. Code: PG207 | Max Marks: **20** |

**Note: All questions are compulsory.**

---

**CO1-** Apply the fundamental concepts of Information Systems in diverse business processes.
**CO2-** Analyze the strategic role of Information Systems in gaining competitive advantage
**CO3-** Evaluate different Information system development cycles and data management.
**CO4-** Analyze ERP systems in supply chain and CRM.
**CO5-** Analyze information systems security strategies and tools for protecting information.

---

**Answer the following questions:**                    **40×0.5 = 20 Marks**

1) Which of the following best defines Data in the context of an Information System?

a) Information organized and processed to convey understanding.

**b) Streams of raw facts and figures representing events occurring in organizations.**

c) Knowledge applied to achieve specific organizational goals.

d) Tools and techniques used to synthesize information for strategic decisions.

2|) Which of the following best defines an Information System (IS)?
A. A collection of computers used for data entry
**B. A set of interrelated components that collect, process, store, and distribute information**
C. A software application designed only for accounting
D. A system that stores data without processing

3) The core purpose of the ETL (Extract, Transform, Load) process in building a Data Warehouse is to:

a) Speed up the daily transaction entry process in the operational systems.

**b) Convert raw operational data into a standardized, clean, and consistent format suitable for analytical querying.**

c) Handle real-time updates and inserts to ensure data immediacy.

d) Eliminate the need for end-user report generation software.

**4**. In the hierarchy of data–information–knowledge, which activity transforms information into knowledge?
A. Storing information in a database
**B. Applying experience, context, and interpretation**
C. Converting analog signals into digital form
D. Collecting raw facts

5) The primary role of a Business Intelligence (BI) System is to support:

a) The fast, high-volume processing of daily organizational events.

**b) The strategic decision-making process by analyzing large datasets.**

c) The automatic generation of basic payroll and inventory records.

d) The creation of static, pre-defined operational reports.


6) Analyzing past sales patterns to optimize future inventory levels and reduce costs is an example of applying which level of the Data-Information-Knowledge hierarchy?

a) Data

b) Information

**c) Knowledge**

d) Business Intelligence


7. Business Intelligence (BI) primarily focuses on:
A. Operational data entry
B. Real-time transaction recording
**C. Converting data into actionable insights for decision-making**
D. Automating physical processes


8) A Transaction Processing System (TPS) is primarily designed to serve the operational needs of which management group?

a) Senior management

b) Middle management

**c) Operational management**

d) Knowledge workers


9) An Enterprise Resource Planning (ERP) system is a type of Enterprise Application designed primarily to achieve which strategic objective?

a) Enhancing a single department's isolated operational efficiency.

b) Automating external customer interactions exclusively.

**c) Integrating data and processes across disparate functional areas of a business.**

d) Providing complex, unstructured decision support for senior executives.


10) Which of the following is NOT a component of an information system?
A. Hardware
B. Software
C. Procedures
**D. Profitability analysis**


11) A global firm faces the challenge of standardizing business processes across its international subsidiaries using a single Enterprise Application. This challenge primarily falls under which component of Information Systems?

a) Hardware (due to different country power standards)

b) Data (due to language differences in raw facts)

**c) People (due to cultural resistance and training needs)**

d) Telecommunications (due to varying internet speeds)

12) The primary challenge posed by the "dirty data" problem (e.g., missing values, inconsistencies, errors) in Business Intelligence initiatives is that:

a) It slows down the transaction processing speed.

b) It forces managers to rely more heavily on manual reporting.

**c) It undermines the reliability and trustworthiness of all analytical findings, leading to potentially flawed strategic decisions.**

d) It makes the data warehouse non-volatile.

13) Information is distinguished from Data because Information is:

a) Always numerical and quantifiable.

**b) Contextualized, categorized, calculated, and corrected to be meaningful.**

c) Primarily used for forecasting future trends.

d) Stored exclusively in relational databases.

14). Which of the following is an example of a TPS?
A. Executive dashboard
**B. Payroll processing system**
C. Data mining tool
D. ERP performance analytics

15) How does an Information System fundamentally contribute to achieving a competitive advantage in the global business landscape?

a) By strictly limiting data access to top management only.

b) By automating routine tasks, thus eliminating all human workers.

**c) By enabling organizations to execute business processes more efficiently or offer unique products/services.**

d) By ensuring the organization uses only proprietary, custom-built software.

16) Which statement most accurately justifies the interdependent roles of the five core components of Information Systems (Hardware, Software, Data, People, Procedures)?

a) Hardware and Software are sufficient to create a functional system without People or Data.

b) Data is the final output, independent of the Telecommunications component.

**c) All five components must interact effectively to process input, create value, and produce meaningful organizational output**.

d) The role of Procedures is solely to document software bugs, not guide organizational processes.

17) What is the most complex challenge for a global business implementing a Transaction Processing System (TPS) across different countries?

a) Ensuring a consistent power supply for all hardware.

**b) Reconciling diverse national accounting standards, tax laws, and language requirements while maintaining system integrity and centralized reporting.**

c) Training operational staff to use the system's mouse and keyboard.

d) Purchasing the cheapest available commercial off-the-shelf software.

18) A company decides to build a smaller, departmental repository containing sales data specific only to the North Indian region, sourced from the central Data Warehouse. This specialized repository is an example of a:

a) Operational Data Store (ODS)

b) Transaction Processing System (TPS)

**c) Data Mart**

d) Data Cube

19) A Transaction Processing System (TPS) is primarily designed to serve the operational needs of which management group?

a) Senior management

b) Middle management

**c) Operational management**

d) Knowledge workers

20) A Data Warehouse differs fundamentally from a traditional operational database (like an ERP system's database) primarily because the Data Warehouse is:

a) Optimized for high-volume, real-time data insertions and updates.

**b) Organized around subjects (e.g., Customer, Product) and designed for historical, non-volatile data analysis.**

c) Primarily used for generating immediate, day-to-day transaction records.

d) Limited to only storing numerical financial data.

21) Online Analytical Processing (OLAP) technology is best characterized by its ability to:

a) Perform simple, quick lookups of single records based on a primary key.

**b) Support complex, multidimensional analysis (slicing, dicing, drilling down) of summarized data aggregates**.

c) Automatically cleanse and standardize messy data records.

d) Manage the concurrent user access for thousands of daily transaction inputs.

22) The core value proposition of an ERP system for middle management lies in its ability to:

a) Eliminate the need for any human oversight in manufacturing.

**b) Provide real-time, consolidated, cross-functional visibility into key operational metrics (e.g., inventory levels, production schedules, cash flow) that facilitate tactical planning and coordination.**

c) Handle only the unstructured, high-level decision-making for the CEO.

d) Automatically generate predictive models using data mining without user input.

23. Decision Support Systems (DSS) are typically used for:

A. Routine, repetitive transactions
**B. Unstructured or semi-structured decision-making**
C. Marketing automation
D. High-frequency trading

24) Critically assess the statement: "Implementing an ERP system is primarily an IT project."

a) True, because the majority of the cost is spent on purchasing and configuring hardware and software.

**b) False, because a successful ERP implementation is fundamentally a complex organizational change management project that requires deep involvement from end-users, management, and functional leaders to redesign processes and ensure user adoption.**

c) True, as the only risk involved is related to technical bugs and data migration.

d) False, it is only a financial project, focused on cost reduction.

25. The term "enterprise applications" refers to:
A. Applications used by individuals
**B. Applications integrating business processes across the organization**
C. Software running on personal computers
D. Tools only for marketing departments

26. Which system integrates information from finance, HR, manufacturing, and supply chain?
A. MIS
B. SCM
C. CRM
**D. ERP**

27. CRM systems primarily support which business function?
A**. Customer interactions and relationship management**
B. Inventory control
C. Payroll and accounting
D. Manufacturing automation

28. Which of the following is a characteristic of strategic information?
A. Short-term and routine
B. Generated only from TPS
**C. Long-term, uncertain, and often unstructured**
D. Highly repetitive

29. An MIS (Management Information System) typically produces:
A. Highly detailed real-time transactions
**B. Summarized reports for middle management**
C. Complex models for strategic forecasts
D. Market predictions using AI

30. Knowledge in an organization is:
A. Raw facts
B. Organized data
**C. Insights derived from experience and interpretation**

D. Digitally stored data

31. In an information system, "procedures" refer to:
A. Hardware setup instructions
B. Software user manuals only
C. The organization's annual reports
**D. Rules and guidelines for using the system**

32. The primary role of Executive Support Systems (ESS) is to:
**A. Support senior executives with strategic insights**
B. Automate payroll
C. Perform marketing analytics
D. Manage daily operations

33. Which of the following systems uses OLAP technology?
A. TPS
**B. DSS**
C. ESS
D. MIS

34. A system designed to reduce information asymmetry within an organization is:
A. Standalone application
**B. Enterprise system**
C. File-based legacy system
D. Offline data repository

35. What is a major advantage of enterprise applications?
A. They eliminate the need for databases
B. They allow departments to operate in silos
**C. They integrate processes across functions**
D. They work only at the operational level

36. Data mining in BI systems helps managers to:
A. Record day-to-day transactions
B. Make payroll sheets
**C. Identify hidden patterns and relationships**
D. Reduce database size

37. Systems for middle management typically include:
**A. MIS**
B. TPS
C. ESS
D. Robotics

38. TPS ensures which of the following?
A. High-level summaries
**B. Real-time, accurate processing of transactions**
C. Long-term forecasting
D. Strategic decision-making

39. Enterprise systems eliminate the problem of:
A. High employee turnover
B. Competition from rivals

**C. Fragmented information across departments**
D. Market uncertainty

40. Global IS networks allow businesses to:
A. Restrict access to information
**B. Operate seamlessly across geographies**
C. Avoid using cloud systems
D. Remove all communication barriers

| COs | Questions | Marks Allocated |
|-----|-----------|-----------------|
| CO1 | 1-20 | 10 Marks |
| **CO2** | 21-40 | 10 Marks |

**Blooms Taxonomy Levels given below for your ready reference:**

**L1= Remembering**
**L2= Understanding**
**L3= Apply**
**L4= Analyze**
**L5= Evaluate**
**L6= Create**