

19. Although ERP systems are built around the idea of best practice, some organisations will choose not to adopt the ERP best practice, seeking instead to modify the design of the system. The mostly likely reason for doing so is:
- a. modifying the ERP system will lower the cost of implementation because redundant features are removed.
 - b. the 'fit' between the system and the business processes needs to exist. It is easier to change the system than to change the organisational design.
 - *c. the ERP system is unable to drive some of the organisation's unique business processes that provide distinct competitive advantage to the organisation.
 - d. adopting an ERP system off the shelf erodes competitive advantage because everyone else has the same software at their disposal.

Correct answer: c

Learning objective 2.5 – critically evaluate the role enterprise resource planning (ERP) systems play in business process design.

20. An ERP system is:

- *a. a complex set of computer program modules that integrate the different functional areas of the organisation.
- b. developed around an information silo principle.
- c. a system that integrates functional and proprietary information systems in different departments in an organisation.
- d. suitable for both large and small organisations.

Correct answer: a

Learning objective 2.5 – critically evaluate the role enterprise resource planning (ERP) systems play in business process design.

21. Because of ERP's best practice approach, if all organisations adopt the ERP system and have the same underlying processes, they are less likely to distinguish themselves and gain a competitive advantage. This is likely a major reason for:

- a. not adopting ERP.
- b. adopting ERP before competitors do.
- c. configuring a business process around an ERP system.
- *d. not configuring a business process around an ERP system.

Correct answer: d

Learning objective 2.5 – critically evaluate the role enterprise resource planning (ERP) systems play in business process design.

22. Which of the following is NOT a result of moving to a business process-based environment?
- a. The way that the organisation is managed is changed.
 - b. Functional barriers are broken down.
 - *c. The layer of middle management is thickened.
 - d. Employee resistance.

Correct answer: c

Learning objective 2.6 – interpret and communicate issues for organisations changing to a process-based focus.

23. The first stage in adopting a business process perspective is that:
- a. it should focus on removing middle management.
 - *b. it must be represented in the design of the organisation.
 - c. it should emphasise the flattening of the organisational structure.
 - d. it must be reflected in the organisation's latest statements.

Correct answer: b

Learning objective 2.6 – interpret and communicate issues for organisations changing to a process-based focus.

24. Instead of turning up to work knowing that all they will be doing is one specific, narrowly defined task, employees become involved in a range of tasks and see how the tasks integrate with each other. This is a likely description of:
- a. employee empowerment.
 - b. a functional environment.
 - *c. a business process oriented environment
 - d. multi-tasking.

Correct answer: c

Learning objective 2.6 – interpret and communicate issues for organisations changing to a process-based focus.

25. The first stage in adopting a business process perspective is:
- a. securing customer approval.
 - b. ensuring that the project is fully costed.
 - c. ensuring that the company is currently using updated technology.
 - *d. that it must be represented in the design of the organisation.

Correct answer: d

Learning objective 2.6 – interpret and communicate issues for organisations changing to a process-based focus.

37. The philosophy of TQM is geared around four main concepts. These concepts are:
- a. quality, process, organisations and management.
 - b. quality, process, people and management.
 - *c. quality, people, organisations and management.
 - d. quality, process, people and organisation.

Correct answer: c

Learning objective 2.7 – summarise and evaluate approaches to changing business processes, in particular business process re-engineering (BPR).

38. Vendor-managed inventory involves the buyer transferring the responsibility for:
- a. physically holding inventory items.
 - b. storing, retrieving, and acquiring inventory items.
 - *c. determining what, when and how much is purchased.
 - d. keeping the inventory at a fixed and predetermined level.

Correct answer: c

Learning objective 2.7 – summarise and evaluate approaches to changing business processes, in particular business process re-engineering (BPR).

39. Which one of the following technology is more likely to be used in the billing and cash receipts process by the seller of goods?
- a. RFID.
 - b. Electronic bill presentation and payment.
 - *c. Electronic bill payment.
 - *d. Evaluated receipts settlement.

Correct answer: d

Learning objective 2.7 – summarise and evaluate approaches to changing business processes, in particular business process re-engineering (BPR).

40. Which of the following statements regarding BPR is not true?
- *a. BPR is an attempt at downsizing.
 - b. Ethical issues are involved in BPR.
 - c. Social issues are involved in BPR.
 - d. Employees can be extremely wary when BPR is mentioned.

Correct answer: a

Learning objective 2.8 – critically evaluate BPR techniques.