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Chapter 1
Setting the Stage: Technology and the Modern Enterprise

Section 1.1

True/False Questions

1. Apple's growing business of consumer services bring in so much revenue that if they were a separate division from Apple, they would be ranked as a Fortune 100 firm.
   True; Easy

2. While Amazon and UPS efforts to offer drone-to-doorstep delivery for the masses remain a work in progress, Silicon Valley's Zipline is leading the charge for the humanitarian community.
   True; Moderate

3. Ireland's data centers use 18 percent of the country's electricity's needs.
   True; Moderate

4. The rise of open source software has lowered computing costs for startup and blue chip companies worldwide.
   True; Easy

5. Data analytics, business intelligence, and so-called machine learning are driving discovery and innovation.
   True; Easy

6. Technology has proliferated in Kenya and Somaliland, with text messages used to replace cash, creating mobile money use that, on a population percentage basis, exceeds any nation in the West.
   True; Moderate

7. Social media does not play a key role in organizing uprisings.
   False; Easy

8. The United States and China are both currently investigating several tech companies for influence and non-competitive practices.
   False; Easy

9. The market cap of a publicly traded firm is its total value. Market cap can be calculated by multiplying the number of a firm's shares by its current share price.
   True; Easy

10. A server farm is a massive network of computer servers running software to coordinate their collective use. Server farms provide the infrastructure backbone to SaaS and hardware cloud efforts, as well as many large-scale Internet services.
    True; Easy

11. It took telephones seventy-five years to get to 50 million users, but it took ChatGPT 3.5 just four years to gain double those users.
    False; Easy

12. Meta, Facebook's parent, has an astonishing 3.6 billion monthly users—a reach no media firm or government had ever remotely approached.
    True; Easy

Multiple Choice Questions

13. A recent report in Forbes suggests that _____ percent of firms are failing at digital transformation.
    a. 89
    b. 72
    c. 40
    d. 23
    e. 12
    b; Easy

14. Select the accurate statement(s).
    1) The world's most valuable retailer, China's Alibaba, also carries the world's largest product inventory.
    2) Uber, the world's largest taxi service, owns no vehicles for hire.
    3) Airbnb, the world's largest accommodation provider, owns several major hotel corporations.
    4) Facebook does not create media content.

    a. All statements are accurate.
    b. Statements 2 and 4 are accurate.
    c. Statement 4 is accurate.
    d. Statement 1 is accurate.
    e. Statements 1 and 3 are accurate.
    b; Hard

15. Some of the radical changes brought about by new technologies include
    a. the stagnation of advertising.
    b. the proliferation of telecommunications into the hands of a few.
    c. an increase in computing costs owing to the growth of licensed software.
    d. a decrease in the standards of corporate ethics.
    e. the creation of an unprecedented set of security and espionage threats.
    e; Moderate

16. Tech firms are among the best performing firms in the world. Which firm is the most valuable firm in the United States and has also posted some of the most profitable quarters of any business in any industry?
    a. Amazon
    b. Apple
    c. Google
    d. IBM
    e. Salesforce
    b; Easy

17. Zuckerberg got so excited by the Metaverse that he renamed his company _____. A bet that resulted in over $70 billion in losses and which led to a subsequent firing of over 100 staffers involved with the project.
    a. Facebook 2.0
    b. ChatGPT
    c. NFT
    d. Meta
    e. Instagram
    d; Easy

18. The global pandemic caused which industries to boom?
    a. telehealth

b. work-from-home
c. online grocery
d. contactless payment
e. All of the above are true.
e; Easy

Short Answer Questions

19. How are entrepreneurs in sub-Saharan Africa leveraging technologies to serve local needs? Give examples.
Ghanaian firm Esoko leverages mobile phones to empower the agrarian poor with farming info and commodity pricing, raising incomes and lowering the chance of exploitation by unscrupulous middlemen. The firm Sproxil uses text message verification to save lives by fighting drug counterfeiting in developing nations around the world. Kenya's M-Pesa and Somaliland's Zaad use text messages to replace cash, bringing the safety and speed of electronic payment and funds transfer to the unbanked and leveraging mobile money at rates that far outstrip any nation in the West.
Moderate

20. How has social media emerged as a catalyst for global social change?
With Facebook and Twitter playing key organizing roles in uprisings worldwide, technology can capture injustice, broadcast it to the world, disseminate ideas, and rally the far-reaching.
Moderate

21. Uber and Airbnb are larger than any taxi firm or hotel chain on the planet. In what important way does the infrastructure used by these firms to deliver services differ from more traditional rivals?
Uber, the world's largest "taxi service," owns no vehicles for hire. Airbnb, the world's largest accommodations provider, doesn't own a single hotel or rental property. (Don't accept "mobile" or "uses smartphones" as answers since traditional rivals also heavily leverage technology, including smartphone apps.)
Moderate

22. How have microprocessors and server farms allowed for AI usage to grow in technology companies?
Microprocessors allow for massive server farms to handle an increase in AI applications, while server farms allow for faster and quicker applications that are backed by AI.
Moderate

Fill in the Blanks

23. _____ and _____ are turning sophisticated, high-powered computing into a utility available to even the smallest businesses and nonprofits.
Cloud computing, software as a service; Moderate

24. _____ has emerged as a catalyst for global change, with Youtube, Facebook, Instagram, Twitter, and TikTok playing key organizing roles in uprisings worldwide.
Social media; **Easy**

25. It took _____ just two months to gain 100 million users.
ChatGPT; Easy

26. Over the span of a decade, Apple was able to transition from washed up to industry leader by creating _____ instead of _____.
platforms, products; Easy

27. The rise of _____ has rewritten the revenue models for the computing industry and lowered computing costs for startups to blue chips worldwide.
    open source; Easy

28. ______ refers to the portion of a firm focused on innovation, typically pioneering advances that will eventually arrive as new products and technologies.
    Research and development (R&D); Easy

Section 1.2

True/False Questions

29. Founders should be wary of crowdfunding sites like Kickstarter, because these efforts require founders to give up large ownership stakes to a large number of contributors before they can raise funds to bring products to market.
    False; Easy

30. The founding technology entrepreneurs behind many leading firms, such as Apple, Microsoft, and Facebook, got their start in their early 30s, leveraging university study and knowledge from their first post-college jobs to create disruptive new firms.
    False; Easy

31. Palmer Luckey, the founder of Oculus, was able to get early funding for his product via Kickstarter, exceeding the fundraising goal set by his campaign without giving up a share of equity from this campaign.
    True; Easy

32. Facebook was founded by Sergey Brin.
    False; Easy

33. Linus Torvalds created the Linux operating system.
    True; Easy

34. David Karp, founder of the website Tumblr, sold the website to Google for $1.1 billion.
    False; Moderate

35. Everyone benefits from an accelerator.
    False; Moderate

36. You should always ask people to sign non-disclosure agreements.
    False; Moderate

Multiple Choice Questions

37. One contributor to the ease with which young entrepreneurs can have success is low-cost distribution to massive markets worldwide. This is enabled by:
    a. legacy systems
    b. big data and business analytics
    c. Esoko and M-Pesa
    d. app stores
    e. Sproxil
    d; Easy

38. Another reason fueling the boom in fast-growing technology services is _____, which, when done right, can virally spread awareness of a firm with nary a dime of conventional ad spending.
    a. app stores
    b. big data and business analytics
    c. Esoko and M-Pesa
    d. social media
    e. legacy systems
    d; Easy

39. Yahoo! was started by _____ and _____.
    a. Sergey Brin; Larry Page
    b. Jerry Yang; David Filo
    c. Steve Chen; Chad Hurley
    d. Kevin Rose; Mark Zuckerberg
    e. Catherine Cook; Shawn Fanning
    b; Easy

40. _____ was just a sophomore when he began building computers in his dorm room at the University of Texas. His firm would one day claim the top spot among PC manufacturers worldwide.
    a. Bill Gates
    b. Steve Jobs
    c. Michael Dell
    d. Shawn Fanning
    e. Mark Zuckerberg
    c; Easy

41. Steve Chen and Chad Hurley are credited as the founders of:
    a. Google
    b. Zappos
    c. Facebook
    d. YouTube
    e. Yahoo!
    d; Easy

42. Tony Hsieh served as CEO of _____, and eventually sold the firm to Amazon for $900 million.
    a. Zappos
    b. LinkExchange
    c. MyYearbook.com
    d. Napster
    e. Yahoo!
    a; Easy

43. Sergey Brin and Larry Page were both twenty-something doctoral students at Stanford University when they founded:
    a. Yahoo!
    b. YouTube
    c. Google
    d. Amazon
    e. Napster
    c; Easy

44. Amazon was started by:
    a. Jeff Bezos
    b. Catherine Cook

c. Shawn Fanning
d. Linus Torvalds
e. Kevin Rose
a; Easy

Short Answer Questions

45. Name at least three technology firms that were founded by people in their twenties or younger.
Facebook was founded by Mark Zuckerberg when he was a nineteen-year-old college sophomore. Sergei Brin and Larry Page of Google, Jerry Yang and David Filo of Yahoo!, Steve Chen and Chad Hurley of YouTube are all in their late twenties when they launched their firms. Jeff Bezos hadn't yet reached thirty when he began working on what would eventually become Amazon. The founders of Dropbox, Box, and Spotify were all younger than thirty when they founded businesses that would go on to be worth billions.
Easy

46. What factors contribute to the current "golden age" of young entrepreneurship, allowing innovators to create and deploy services with less expense than prior generations?
We're in a golden age of tech entrepreneurship where ideas can be vetted and tested online, and funding crowdsourced, Kickstarter-style; "the cloud" means a startup can rent the computing resources one previously had to buy at great expense; app stores give code jockeys immediate, nearly zero-cost distribution to a potential market of hundreds of millions of people worldwide; and social media done right can virally spread awareness of a firm with nary a dime of conventional ad spending.
Easy

47. What are some things you should do if you would like to start a startup?
Attend high-quality startup-focused events, attend tech events if you are building a tech startup, and start building a product.
Easy

Fill in the Blanks

48. Funding projects via online efforts such as Kickstarter are referred to by the term _____.
crowdsourcing; Hard

49. The technology known as _____ is helping to fuel the current age of fast-growth technology entrepreneurship. This technology means that a startup can rent the computing resources one previously had to buy at great expense.
cloud computing, or the cloud; Moderate

50. Shawn Fanning's _____ was widely criticized as a piracy playground.
Napster; Easy

51. Facebook was founded by _____.
Mark Zuckerberg; Easy

52. _____ was just twenty-one when he founded Apple.
Steve Jobs; Easy

53. _____ means to redefine the market, business, and/or product offering.
Pivoting; Easy

54. Spending a lot of time on a "pitch deck," logo design, or seeking funding is almost always a sign of a "_____."

wantrepreneur; Easy

Section 1.3

True/False Questions

55. Researchers in China and the United States have shown an AI approach that performed better than major trading indices as well as traditional investment portfolio allocation strategies.
    True; Easy

56. SEO and SEM are key tech industry acronyms that have become vital parts of the accounting professional's operating toolkit.
    False; Moderate

57. Many of the careers in marketing are highly tech-centric.
    True; Easy

58. Firms are increasingly shifting spending from the Web to other media such as print, radio, and television as these are often easier to track and analyze.
    False; Easy

59. While process redesign, supply chain management, and factory automation are all tech-centric operations, service operations are not.
    False; Easy

60. Today's job seekers are writing resumes with keywords in mind, aware that the first cut is likely made by a database search program, not a human being.
    True; Moderate

61. The number of U.S. patent applications awaiting approval has significantly declined in the past decade.
    False; Easy

62. Technology experts in the area of user-interface design specialize in technology for competitive advantage.
    False; Moderate

63. The field of accounting will not be impacted by AI due to newly introduced data security laws.
    False; Easy

Multiple Choice Questions

64. Within roughly four years, ______ were in the hands, backpacks, purses, and pockets of over two hundred million people worldwide, delivering location-based messages and services and even allowing for cashless payments.
    a. Fitbits
    b. smartwatches
    c. android devices
    d. iOS devices
    e. tablets
    d; Easy

65. A company tracks user's activities on their website. This is an example of the impact of technology in the area of:
    a. accounting

b. operations
c. marketing
d. finance
e. human resources
c; Moderate

66. Crowdsourcing tools and question-and-answer sites such as _____ allow firms to reach out for expertise beyond their organizations.
a. Quora
b. Oculus VR
c. Alibaba
d. Twitter
e. M-Pesa
a; Moderate

67. Technology experts in the area of user-interface design
a. work to make sure systems are intuitive and easy to use.
b. leverage technology to make legacy systems more efficient.
c. specialize in technology for competitive advantage.
d. focus on effective back-up systems for critical business data.
e. provide direction on technology-related security issues.
a; Easy

68. Technology experts in the area of process design
a. work to make sure systems are easy to use.
b. leverage technology to make firms more efficient.
c. specialize in technology for competitive advantage.
d. focus on systems dealing with critical business data.
e. provide direction on technology-related security issues.
b; Easy

69. Technology experts in the area of _____ specialize in technology for competitive advantage.
a. user-interface design
b. process design
c. strategy
d. database design
e. hardware
c; Easy

70. Experts working in the area of _____ work to make sure systems are easy to use, while people working in the area of _____ work to leverage technology to make firms more efficient.
a. user-interface design; process design
b. process design; user-interface design
c. strategy; process design
d. process design; strategy
e. strategy; user-interface design
a; Hard

71. Which area of corporate law is connected to technology?
a. privacy
b. patents
c. piracy
d. intellectual property
e. All of the above are true.
e; Moderate

Short Answer Questions

72. How has technology changed the marketing landscape?
The skill set of today's marketers is radically different from what was leveraged by the prior generation. Online channels have provided a way to track and monitor consumer activities, and firms are leveraging this insight to understand how to get the right product to the right customer, through the right channel, with the right message, at the right price, and at the right time. Savvy firms are using social media to generate sales, improve their reputations, better serve customers, and innovate. Search engine marketing (SEM), search engine optimization (SEO), customer relationship management (CRM), personalization systems, and a sensitivity to managing the delicate balance between gathering and leveraging data and respecting consumer privacy are all central components of the new marketing toolkit.
Moderate

73. What kind of an impact has technology had in the area of human resources?
Technology helps firms harness the untapped power of employees. Knowledge management systems are morphing into social media technologies—social networks, wikis, and Twitter-style messaging systems that can accelerate the ability of a firm to quickly organize and leverage teams of experts. Crowdsourcing tools and question-and-answer sites like Quora and Stack Overflow allow firms to reach out for expertise beyond their organizations. Human resources directors are using technology for employee training, screening, and evaluation. Sites like LinkedIn can help HR quickly target a wider group of qualified employees. Potential hires are sharing online material with HR, hoping that thoughtful blog posts, a compelling LinkedIn presence, Twitter activity reflecting an enthusiastic and engaged mind, and, for tech professionals, participation in collaborative coding communities like GitHub and Stack Overflow, all work to set apart a candidate from the herd. The hiring and retention practices of the prior generation are also in flux. Recruiting hasn't just moved online; it's now grounded in information systems that scour databases for specific skill sets, allowing recruiters to cast a wider talent net than ever before. Job seekers are writing resumes with key words in mind, aware that the first cut is likely made by a database search program, not a human being.
Moderate

74. Provide a brief overview of the different careers in the area of information systems.
Students studying technology can leverage skills in ways that range from the highly technical to those that emphasize a tech-centric use of other skills. Opportunities for programmers abound, but there are also roles for experts in areas such as user-interface design, process design, and strategy. Careers that involve consulting and field engineering are often particularly attractive for those who enjoy working with clients and problems across various industries and in different geographies. Consultants can become partners who work with the most senior executives of client firms, helping identify opportunities for those organizations to become more effective. Technology specialists can rise to be chief information officer or chief technology officer and many firms are developing so-called C-level specialties in emerging areas with a technology focus, such as chief information security officer (CISO) and chief privacy officer (CPO).
Moderate

Fill in the Blanks

75. The _____ department in an organization that not only ensures that systems get built and keep running but also take on strategic roles targeted at proposing solutions for how technology can give the firm a competitive edge.
information systems; Easy

76. Aspiring investment bankers should study the tech industry since tech firms represent a large portion of firms selling shares on public stock markets for the first time. This process is known as

_____.
IPO, initial public offering, or going public; Easy

77. The number of U.S. patent applications awaiting approval has _____ in the past decade.
tripled; Easy

Section 1.4

True/False Questions

78. A firm that is late in adopting a technology may find itself unable to create the competitive advantages of early movers.
True; Easy

79. ChatGPT was invented by OpenAI.
True; Moderate

80. The hype cycle is described as a curve with market expectations plotted against time.
True; Easy

81. IBM Watson did not beat Jeopardy champ Ken Jennings.
False; Easy

82. Xerox invented the graphical user interface.
True; Easy

Multiple Choice Questions

83. Which of the following is not a key to competitive assets that an early mover may be able to create over its slow-moving rivals?
a. scale
b. network effects
c. switching costs
d. technology effects
e. None of the above are true.
d; Moderate

84. “Uh, where’s the ROI?” is which stage of the Hype Cycle Curve?
a. trough of disillusionment
b. emerging innovation
c. inflated expectations
d. slope of enlightenment
e. plateau of productivity
c; Easy

85. Which tech company founder stated “the tech industry is more fashion-driven than women’s fashion”?
a. Bill Gates
b. Larry Ellison
c. Mark Zuckerberg
d. Jeff Bezos
e. Sergey Brin
b; Easy

Short Answer Questions

86. What causes an innovation trigger in a Hype Cycle?
    A stage of emerging innovation, sometimes referred to as an innovation trigger, is where a new tech or other concept arrives. If interest accelerates, expectations rise and the curve slopes sharply upward. This typically happens as early proofs-of-concept show promise, early-stage venture capitalists plow money into startups focused on this area, and firms launch experimental efforts.
    Moderate

Fill in the Blanks

87. A firm may give up _____ or sour on an early, unrealized _____ only to see some characteristics of technologies and markets change the game for adoption.
    tech, investment; Easy