

THE SOCIETY OF ACCOUNTING EDUCATION
CERTIFIED FINANCIAL & MANAGEMENT ACCOUNTANT MEMBERSHIP
PROGRAM

Model Paper for Course: ERP Implementation

Course Code: SL-05

Level: Strategic Level

1. Which of the following describes an ERP system?
 - A. ERP systems provide a foundation for collaboration between departments
 - B. ERP systems enable people in different business areas to communicate
 - C. ERP systems have been widely adopted in large organizations to store critical knowledge used to make the decisions that drive the organization's performance
 - D. All of the above**

2. What is at the heart of any ERP system?
 - A. Information
 - B. Employees
 - C. Customers
 - D. Database**

3. What must a system do to qualify as a true ERP solution?
 - A. Be flexible**
 - B. Be modular and closed
 - C. Extend within the company
 - D. All of the above

4. Which of the following is a reason for ERP's explosive growth?
 - A. ERP is a logical solution to the mess of incompatible applications
 - B. ERP addresses the need for global information sharing and reporting
 - C. ERP is used to avoid the pain and expense of fixing legacy systems
 - D. All of the above**

5. Which of the following occurs when everyone involved in sourcing, producing, and delivering the company's product works with the same information?
 - A. Eliminates redundancies
 - B. Cuts down wasted time
 - C. Removes misinformation
 - D. All of the above**

6. What are several different types of software, which sit in the middle of and provide connectivity between two or more software applications?
 - A. Middleware**
 - B. Enterprise application integration middleware

- C. Automated business process
 - D. e-business infrastructure
7. What represents a new approach to middleware by packaging together commonly used functionality, such as providing prebuilt links to popular enterprise applications, which reduces the time necessary to develop solutions that integrate applications from multiple vendors?
- A. Middleware
 - B. Enterprise application integration middleware**
 - C. Automated business process
 - D. e-business infrastructure
8. Who are the primary users of SCM systems?
- A. Sales, marketing, customer service
 - B. Accounting, finance, logistics, and production
 - C. Customers, resellers, partners, suppliers, and distributors**
 - D. All of the above
9. What are the primary business benefits of an ERP system?
- A. Sales forecasts, sales strategies, and marketing campaigns
 - B. Market demand, resource and capacity constraints, and real-time scheduling
 - C. Forecasting, planning, purchasing, material management, warehousing, inventory, and distribution**
 - D. All of the above
10. Who are the primary users of ERP systems?
- A. Sales, marketing, customer service
 - B. Accounting, finance, logistics, and production**
 - C. Customers, resellers, partners, suppliers, and distributors
 - D. All of the above
11. Which of the following stock types can be counted through Physical Inventory procedure?
- A. Unrestricted use stock.
 - B. Block stock.
 - C. Quality Inspection stock.
 - D. Vendor consignment stock.
 - E. All of Above**
12. Which of the following can possibly influence the valuation price of a moving average priced material?
- A. Goods receipt for a purchase order.
 - B. Goods Issue to a cost centre.
 - C. Invoice verification against a purchase order.
 - D. Stock transfer between two storage locations in the same plant.
 - E. Both A and C**

13. In the SAP system a user can operate in the following hierarchies.
- A. Service level.
 - B. Application level.
 - C. Month.
 - D. Total stock value.
 - E. **Both C and D**
14. Your planning department is using a Forecast Model for materials planning. It has been established that while demand for the particular material is projected to increase steadily as market share is increased, the fluctuating tourist demand will affect the overall requirements. Which forecast model will best address this requirement?
- A. The Constant model.
 - B. The Constant trend model.
 - C. **The Seasonal trend model.**
 - D. The Fluctuating trend model.
 - E. The Seasonal model.
15. In the SAP system, the reference document used in the purchasing cycle is the:
- A. Purchase requisition.
 - B. Info record.
 - C. Source list.
 - D. **Purchase Order.**
 - E. None of the above.
16. What purpose does invoice verification serve in materials management?
- A. It allows invoice that do not originate in materials procurement to be processed.
 - B. **Completes the materials procurement process**
 - C. Handles the payment
 - D. Allows credit memos to be processed
 - E. Handles the analyses of invoices.
17. What are the tasks of invoice verification?
- A. Entering invoices and credit memos received.
 - B. Checking the accuracy of invoices
 - C. Executing the account posting resulting from invoice
 - D. Checking invoices that were blocked.
 - E. **All of above**
18. What is the process of invoice verification?
- A. **Purchase order, service or GR referenced for incoming invoice.**
 - B. Invoice items suggested by the system against referenced document
 - C. Corresponding automatic account postings carried out.
 - D. Payment proposal list for vendor generated.
19. From where does the system pick the default quantity of an item when you post invoice receipt?

- A. Invoice
 - B. Purchase order
 - C. Purchase order history**
 - D. System settings
 - E. Vendor master
20. During invoice verification the system picks the rate at which tax is calculated from the vendor master record.
- A. TRUE
 - B. FALSE**
21. Demand for a given item is said to be dependent if
- A. the item has several children
 - B. there is a deep bill of materials
 - C. the finished products are mostly services (rather than goods)
 - D. there is a clearly identifiable parent**
22. Dependent demand and independent demand items differ in that
- A. for any product, all components are dependent-demand items
 - B. the need for independent-demand items is forecasted
 - C. the need for dependent-demand items is calculated
 - D. all of the above are true**
23. A master production schedule specifies
- A. the financial resources required for production
 - B. what component is to be made, and when
 - C. what product is to be made, and when**
 - D. the labor hours required for production
24. The _____ is(are) the MRP input detailing which end items are to be produced, when they are needed, and in what quantities.
- A. master production schedule**
 - B. gross requirements
 - C. inventory records
 - D. assembly time chart
25. A master production schedule contains information about
- A. quantities and required delivery dates of all sub-assemblies
 - B. quantities and required delivery dates of final products**
 - C. inventory on hand for each sub-assembly
 - D. inventory on hand for each final product
26. In continuous (make-to-stock) operations, the master production schedule is usually expressed in terms of
- A. end-items**
 - B. modules

- C. kits
 - D. customer orders
27. In job shop (make-to-order) operations, the master production schedule is usually expressed in terms of
- A. end-items
 - B. modules
 - C. kits
 - D. customer orders**
28. The _____ is the input to Materials Requirements Planning which lists the assemblies, subassemblies, parts and raw materials needed to produce one unit of finished product.
- A. bill of materials**
 - B. net requirements chart
 - C. inventory records
 - D. assembly time chart
29. A bill of materials lists the
- A. times needed to perform all phases of production
 - B. production schedules for all products
 - C. components, ingredients, and materials required to produce an item**
 - D. operations required to produce an item
30. One way to facilitate production scheduling and production in firms making a large number of different final products is to use
- A. planning bills
 - B. modular bills**
 - C. phantom bills
 - D. overdue bills
31. The bill of materials contains information necessary to
- A. convert (explode) net requirements at one level into gross requirements at the next level**
 - B. calculate quantities on hand and on order
 - C. convert gross requirements into net requirements
 - D. place an order to replenish the item
32. Which of the following statements best compares modular bills and phantom bills?
- A. Both pertain to assemblies that are not inventoried.
 - B. There is no difference between the two.
 - C. Both pertain to assemblies that are inventoried.
 - D. Modular bills represent subassemblies that actually exist and are inventoried, while phantom bills represent subassemblies that exist only temporarily and are not inventoried.**
33. The minimum record accuracy required for successful MRP is approximately

- A. lower than 90%
 - B. 90%
 - C. 95%
 - D. 99%**
34. "Exploding" the bill of materials means
- A. converting the bill of materials into components and raw material requirements**
 - B. identifying the lead time of all the components
 - C. determining the various components' quantities that are already on hand
 - D. determining the net requirements for all the components
35. Low level coding means that
- A. a final item has only a few levels in the BOM structure
 - B. it is the code for the missing items
 - C. a component item is coded at the lowest level at which it appears in the BOM structure**
 - D. the top level of the BOM is below level zero and that BOM's are not organized around the finished product
36. Each X requires 2 of component Y; each Y requires 4 of part Z. The lead time for assembly of X is 1 week. The lead time for the manufacture of Y is 1 week. The lead time for the procurement of Z is 6 weeks. The cumulative lead time for X is _____ weeks.
- A. 48
 - B. 7
 - C. 8**
 - D. 10
37. Each R requires 4 of component S; each S requires 3 of part T. The lead time for assembly of R is 1 week. The lead time for the manufacture of S is 2 weeks. The lead time for the procurement of T is 6 weeks. The cumulative lead time for R is _____ weeks.
- A. 6
 - B. 9**
 - C. 12
 - D. 18
38. The MPS calls for 110 units of Product M. There are currently 30 of Product M on hand. Each M requires 4 of Component N. There are 20 units of N on hand. The gross requirements for N are
- A. 150
 - B. 170
 - C. 300**
 - D. 320

39. The MPS calls for 50 units of Product A and 60 of B. There are currently 25 of Product B on hand. Each A requires 2 of Part C; each B requires 5 of C. There are 160 units of C available. The net requirements for C are
- A. **115**
 - B. 175
 - C. 240
 - D. 690
40. Which of the following activities is not part of the software reengineering process model?
- A. forward engineering
 - B. inventory analysis
 - C. prototyping
 - D. **reverse engineering**
41. The MPS calls for 110 units of Product A, there are currently 60 of Product A on hand. Each A requires 4 of Part B, there are 20 units of B available. The net requirements for B are
- A. 20
 - B. 120
 - C. **180**
 - D. 240
42. In MRP record calculations, the appearance of a negative value for the gross requirements of an end item in a specific time bucket
- A. signals the need to purchase that end item in that period
 - B. implies that value was scheduled by the MPS
 - C. signals the need for a negative Planned Order Receipt in that period
 - D. **is impossible**
43. A material requirements plan contains information with regard to all of the following except
- A. quantities and required delivery dates of all sub-assemblies
 - B. quantities and required delivery dates of final products
 - C. **the capacity needed to provide the projected output rate**
 - D. inventory on hand for each final product
44. The number of units projected to be available at the end of each time period refers to
- A. net requirements
 - B. scheduled receipts
 - C. the projected usage of the item
 - D. **the amount projected to be on hand**
45. Linking a part requirement with the parent component that caused the requirement is referred to as
- A. net requirements planning
 - B. a time fence

- C. **pegging**
 - D. Kanban
46. In MRP, system nervousness is caused by
- A. **management's attempt to continually respond to minor changes in production requirements**
 - B. the use of the lot-for-lot approach
 - C. management's marking part of the master production schedule as "not to be rescheduled"
 - D. the use of phantom bills of materials
47. One of the tools that is particularly useful in reducing the system nervousness in the MRP system is (are)
- A. modular bills
 - B. time phasing
 - C. **time fences**
 - D. lot sizing
48. A major strength of MRP is its capability
- A. to minimize labor hours used in production
 - B. **for timely and accurate replanning**
 - C. to reduce lead times
 - D. to maximize production throughput
49. Material requirements plan specify
- A. the quantities of the product families that need to be produced
 - B. **the quantity and timing of planned order releases**
 - C. the capacity needed to provide the projected output rate
 - D. the costs associated with alternative plans
50. Which of the following statements is true about the MRP plan when using lot-for-lot ordering?
- A. The quantity of gross requirements for a child item is always equal to the quantity of planned order releases for its parent.
 - B. **The quantity of gross requirements for a child item is equal to the quantity of net requirements for its parent(s) multiplied by the number of child items used in the parent assembly.**
 - C. The quantity of gross requirements for a child item is always equal to the quantity of gross requirements for its parent.
 - D. The quantity and gross requirements for a child item is always equal to the quantity of net requirements for its parent.
51. Which of the following lot-sizing-techniques results in the lowest holding costs?
- A. **lot-for-lot**
 - B. EOQ
 - C. part-period-balancing

- D. Wagner-Whitin algorithm
52. What lot sizing technique is generally preferred when inventory holding costs are extremely high?
- A. **lot-for-lot**
 - B. EOQ
 - C. part-period balancing
 - D. the Wagner-Whitin algorithm
53. For the lot-for-lot lot-sizing technique to be appropriate
- A. future demand should be known for several weeks
 - B. **setup cost should be relatively small**
 - C. annual volume should be rather low
 - D. item unit cost should be relatively small
54. MRP II is accurately described as
- A. MRP software designed for services
 - B. MRP with a new set of computer programs that execute on micro-computers
 - C. **MRP augmented by other resource variables**
 - D. usually employed to isolate manufacturing operations from other aspects of an organization
55. Enterprise Resource Planning (ERP) is
- A. severely limited by current MRP computer systems
 - B. not related to MRP
 - C. **an advanced MRP II system that ties-in customers and suppliers**
 - D. not currently practical
56. The extension of MRP which extends to resources such as labor hours and machine hours, as well as to order entry, purchasing, and direct interface with customers and suppliers is
- A. MRP II
 - B. **Enterprise Resource Planning**
 - C. the master production schedule
 - D. closed-loop MRP 7
57. Distribution Resource Planning (DRP) is
- A. a transportation plan to ship materials to warehouses
 - B. **a time-phased stock replenishment plan for all levels of a distribution network**
 - C. a shipping plan from a central warehouse to retail warehouses
 - D. material requirements planning with feedback loop from distribution centers
58. In what way are Distribution Resource Planning (DRP) and Material Requirements Planning (MRP) similar?
- A. **Both employ similar logic and procedures.**
 - B. Both are employed in a manufacturing organization.

- C. Both work most efficiently with largest lot sizes.
 - D. Both are employed by retail organizations.
59. Enterprise resource planning (ERP)
- A. has existed for over a decade
 - B. does not integrate well with functional areas other than operations
 - C. is inexpensive to implement
 - D. automates and integrates the majority of business processes**
60. Enterprise resource planning (ERP)
- A. has been made possible because of advances in hardware and software
 - B. uses client/server networks
 - C. creates commonality of databases
 - D. All of the above are true of ERP.**
61. Which of the following is false concerning enterprise resource planning (ERP)?
- A. It attempts to automate and integrate the majority of business processes.
 - B. It shares common data and practices across the enterprise.
 - C. It is inexpensive to implement.**
 - D. It provides and accesses information in a real-time environment.
62. All of the following are advantages of enterprise resource planning (ERP) except it
- A. creates commonality of databases
 - B. increases communications and collaboration worldwide
 - C. helps integrate multiple sites and business units
 - D. requires major changes in the company and its processes to implement**
63. MRP stands for:
- A. Master Resources Production
 - B. Materials Requirements Planning**
 - C. Management Reaction Planning
 - D. Manufacturing Resource Planning
64. MPS stands for:
- A. Material Planning System
 - B. Master Production Schedule**
 - C. Material Production Schedule
 - D. Master Planning System
65. Closed Loop MRP means:
- A. Unused materials are returned to stores and recorded back into the system
 - B. Capacity and resource planning is included in the MRP logic**
 - C. Actual inventory is counted regularly and adjustment made to the inventory records
 - D. Actual sales are netted off the forecasts in the MPS

66. Optimized production technology (OPT) is a computer-based technique and tool which helps to schedule production systems. Which of the following are not principles of OPT?
- A. Balance flow is what is required
 - B. Bottlenecks govern throughput**
 - C. Capacity is “king”
 - D. Process batch should be variable
67. Enterprise Resource Planning (ERP) has been criticised on a number of grounds. Which of the following is not a common criticism of ERP?
- A. It doesn't allow decisions and databases from all parts of the organisation to be integrated**
 - B. It can have a disruptive effect on the organisation's operations
 - C. The effect it has on businesses is disappointing
 - D. Implementation is expensive
68. In MRP (Materials Requirements Planning) the Bill of Materials is:
- A. The required output from a process over time
 - B. A list of required safety stock items
 - C. The difference between planned receipts and current stocks
 - D. The product structure showing where common parts are used**
69. The outputs of a MRP II system are:
- A. Sales order priorities / Bills of Materials / Material Requirement Plans
 - B. Material Requirement Plans / scheduled purchase orders / capacity requirement plans**
 - C. Stock quantities / Bills of Materials / Master Production Schedule
 - D. Capacity requirement plans / stock quantities / stock locations
70. Three inputs for every MRP system are:
- A. Master Production Schedule, Bill of Materials, sales forecast
 - B. Sales forecast, delivery costs, capacity plan
 - C. Average replenishment time, re-order point, economic order quantity
 - D. Stock on hand, Master Production Schedule, Bill of Materials**
71. Which of the following is not one of the three most common core ERP components focusing on internal operations?
- A. Accounting and finance
 - B. Production and materials management
 - C. Business intelligence**
 - D. Human resources
72. What activities do accounting and finance components perform?
- A. Track employee information including payroll, benefits, compensation, performance assessment, and assumes compliance with the legal requirements of multiple jurisdictions and tax authorities.
 - B. Handle the various aspects of production planning and execution such as demand

- forecasting, production scheduling, job cost accounting, and quality control.
- C. Manage accounting data and financial processes within the enterprise with functions such as general ledger, accounts payable, accounts receivable, budgeting, and asset management**
- D. None of the above
73. What activities do production and materials management components perform?
- A. Track employee information including payroll, benefits, compensation, performance assessment, and assumes compliance with the legal requirements of multiple jurisdictions and tax authorities.
- B. Handle the various aspects of production planning and execution such as demand forecasting, production scheduling, job cost accounting, and quality control.**
- C. Manage accounting data and financial processes within the enterprise with functions such as general ledger, accounts payable, accounts receivable, budgeting, and asset management
- D. None of the above
74. What activities do human resource components perform?
- A. Track employee information including payroll, benefits, compensation, performance assessment, and assumes compliance with the legal requirements of multiple jurisdictions and tax authorities.**
- B. Handle the various aspects of production planning and execution such as demand forecasting, production scheduling, job cost accounting, and quality control.
- C. Manage accounting data and financial processes within the enterprise with functions such as general ledger, accounts payable, accounts receivable, budgeting, and asset management
- D. None of the above
75. Which component is a credit-management feature typically included?
- A. Accounting and finance components**
- B. Production and managerial management components
- C. Human resource components
- D. Production and materials management components
76. Which component can help an organization determine such things as the identification of individuals who are likely to leave the company unless additional compensation or benefits are provided?
- A. Accounting and finance components
- B. Production and managerial management components
- C. Human resource components**
- D. Production and materials management components
77. Which of the following is an extended ERP components?
- A. Business intelligence
- B. E-business

- C. Customer relationship management
 - D. None of the above**
78. Which extended ERP component collects information used throughout an organization, organizes it, and applies analytical tools to assist managers with decisions?
- A. Business intelligence**
 - B. E-business
 - C. Customer relationship management
 - D. Supply chain management
79. What are two of the primary features of e-business components?
- A. E-procurement
 - B. E-logistics
 - C. All of the above**
 - D. None of the above
80. Which channels do ERP vendors need to build for access into the ERP systems?
- A. One channel for customers (B2B)
 - B. One channel for suppliers
 - C. One channel for partners
 - D. All of the above**
81. According to Meta Group, what is the average time it takes for the average company to see results from an ERP solution?
- A. 6 to 12 months
 - B. 8 to 18 months**
 - C. 6 to 16 months
 - D. Impossible to determine
82. According to Meta Group, what is the average savings from a successful ERP implementation?
- A. \$500,000
 - B. \$1.6 million**
 - C. \$5 million
 - D. Impossible to determine
83. Which of the following is a primary risk associated with an ERP implementation?
- A. Quality
 - B. Lost information
 - C. Cost**
 - D. Employee turnover
84. Which of the following is a common ERP benefit?
- A. Integrate financial information
 - B. Standardize and speed up manufacturing processes
 - C. Reduce inventory

- D. All of the above**
85. Which of the following is not a common ERP benefit?
- A. Standardize manufacturing processes
 - B. Speed up manufacturing processes
 - C. Standardize human resource information
 - D. Speed up human resources**
86. Which of the following is an associated ERP cost?
- A. Purchasing the software
 - B. Hiring external experts to help implement the system correctly
 - C. Redefining processes
 - D. All of the above**
87. Which of the following is not an associated ERP cost?
- A. Customization
 - B. Integration and testing
 - C. Reduce inventory**
 - D. Data conversion
88. Which of the following is not one of the three biggest vendors in the ERP market?
- A. SAP
 - B. Oracle
 - C. PeopleSoft
 - D. Microsoft**
89. What does an ERP vendors future success depend on?
- A. Its ability to incorporate Internet, e-business, and wireless technology
 - B. Its ability to incorporate Internet, interface, and wireless technology**
 - C. Its ability to incorporate Interface, e-business, and wireless technology
 - D. None of the above
90. What is the single most important force reshaping the architecture and functionality of ERP systems?
- A. Internet**
 - B. Interface
 - C. Wireless technology
 - D. E-business
91. Which of the following is not an example of a business process?
- A. designing a new product
 - B. hiring an employee
 - C. purchasing services
 - D. testing software**

92. Which of the following is not a principle that should guide business process reengineering?
- A. capture data at each source
 - B. fully redocument legacy processes**
 - C. organize around outcomes
 - D. put decision point where work is performed
93. Business process reengineering has no start or end—it is an evolutionary process.
- A. True**
 - B. False
94. Business process reengineering is just another silver bullet fad with no real benefits to anyone.
- A. True
 - B. False**
95. How much of software maintenance work involves fixing errors?
- A. 20 percent**
 - B. 40 percent
 - C. 60 percent
 - D. 80 percent
96. _____ handling and sharing has become a vital process for efficient and effective working of any organisation.
- A. Material
 - B. Resource
 - C. Information**
 - D. Database
97. _____ became the fundamental concept of production management and control.
- A. BOM
 - B. MRP**
 - C. ERP
 - D. MRP II
98. In the _____, ERP packages were targeted at the manufacturing industry.
- A. 1970's
 - B. 1990's**
 - C. 1980's
 - D. 1960's
99. The _____ should plan well and execute perfectly the implementation of ERP.
- A. Organisation
 - B. System developers**
 - C. Vendors
 - D. Top Management

100. Which is one of the most critical steps in the ERP implementation?
A. Creation of Organisational Model
B. Creation of Integrated Data Model
C. Creation of Business Model
D. Creation of Data Model
101. What is one of the key resources of every organisation, in today's competitive business environment?
A. Employee
B. Information
C. ERP
D. Database
102. When a customer needs to check the performance of the company before he places an order, which department has to be in a position to provide the necessary information?
A. Production
B. Quality
C. Marketing
D. Finance
103. In an integrated data model, what gives a snapshot of the organisation at any given time?
A. ERP
B. Database
C. Management
D. MIS
104. OLAP stands for:
A. On-Line Analytical Processing
B. On-Line Account Processing
C. On-Line Arithmetic Processing
D. On-Line Application Processing
105. Data mining is the process of identifying valid, new, potentially useful, and ultimately clear _____ from databases.
A. Decision
B. Strategies
C. Information
D. Account
106. EIS stands for:
A. Executive Interaction System
B. Executive Interconnecting Systems
C. Executive Information Systems

D. Executive Instrumental Systems

107. DSS is quite _____ and is available on request.
A. Structured
B. Non-structured
C. Semi-structured
D. Unstructured
108. ERP system is built on a _____ utilising a common computing platform
A. Centralised database
B. Individual databases
C. Modular databases
D. Centralised layout
109. Which of the following is an example for commercial ERP
A. ERP5
B. Microsoft Dynamics AX
C. Compiere
D. Fisterra
110. NPV is the abbreviation of
A. Net Present Variation method
B. Net Present Value method
C. Neutral Present Value method
D. Net Preventive Value method
111. ERP vendors usually design their systems around standard business processes, based upon _____
A. Business standards
B. Global standards
C. Best business practices.
D. Best profitable standards
112. The _____ module's internal functions do not directly interact with the data or processes of other modules.
A. Finance
B. Quality Management
C. Sales and Distribution
D. Plant Maintenance
113. Which among the following systems can be assigned to a cost centre directly which illustrates the interface to the cost accounting system?
A. FAPA
B. Purchasing
C. Sales and Distribution
D. CASO

114. Which system provides the foundation for creating concurrent business processes across the supply chain and achieving Return on Assets (ROA) improvement?
- A. Finance
 - B. Inventory
 - C. Manufacturing**
 - D. Sales
115. The processes described in the quality manual can be implemented and automated in the EDP system. Here what does EDP stand for?
- A. Electronic Data Processing**
 - B. Electronic Dictionary Project
 - C. Electrical Data Processing
 - D. Employee Development Plan
116. What is the key to MRP?
- A. Quantity of requirements for components are based upon the structure of the Bill of Material.
 - B. Production of requirements for components are based upon the structure of the Bill of Material.
 - C. Time-phasing of requirements for components are based upon the structure of the Bill of Material.**
 - D. Capacity of requirements for components are based upon the structure of the Bill of Material.
117. During the 80s, tools were developed to assist the planning of:
- A. Production levels**
 - B. Priority planning system
 - C. Capacity requirements
 - D. Planning functions
118. Complete the sentence: MRP-II systems provide...
- A. Information that is useful to all functional areas and encourage cross functional interaction.
 - B. Information with cost data.**
 - C. Information that can be used for other company functions.
 - D. Accurate inventory information.
119. ERP is restricted to being a _____ operations system in the country.
- A. Finance
 - B. Budgeting modules
 - C. Manufacturing
 - D. Transaction-oriented**

120. _____ allow companies to enter requirements for various types of items.
- A. Purchase order
 - B. Purchase requisitions**
 - C. Invoice
 - D. General ledger
121. What is EDI?
- A. Electronic Data Interface
 - B. Exchange Data Interchange
 - C. Exchange Data Interface
 - D. Electronic Data Interchange**
122. _____ module supports the entire sales and purchase processes from start to finish.
- A. Order management**
 - B. Sales management
 - C. Purchase management
 - D. Master Data Management
123. _____ evaluates whether or not customer contract agreement are being met.
- A. Purchase order management
 - B. Sales order management
 - C. Master data management
 - D. Warehouse management**
124. _____ maintains reports of warehouse supplies.
- A. ERP financial module
 - B. ERP Inventory software module**
 - C. ERP Resource module
 - D. ERP verification module
125. Web ERP is suitable for _____ .
- A. Both small and big organisations**
 - B. Only big organisations
 - C. Medium scale organisations
 - D. Only small organisations
126. RFP stands for _____ .
- A. Request For Productivity
 - B. Request For Profits
 - C. Request For Processing
 - D. Request For Proposal**
127. Installing ERP Inventory systems is _____ .

- A. Simple
 - B. Trouble free
 - C. Complex**
 - D. Cost effective
128. In recent years, CRM has become a primary component of:
- A. ERP vendors
 - B. ERP software solutions.**
 - C. CRM software
 - D. CRM solutions
129. _____ is the most common operating system for running CRM software
- A. UNIX**
 - B. Windows NT
 - C. Windows Vista
 - D. Windows XP
130. _____ module keeps track of liquidation process.
- A. Market management module
 - B. Liquidation module
 - C. Treasury module**
 - D. Enterprise management module
131. _____ system maintains employees information in graphical format.
- A. Employee master data**
 - B. Personnel administration
 - C. Payroll accounting
 - D. Benefits administration
132. As processes become more automated and efficient,
- A. It is best to treat ERP as an investment as well as a cost-cutting measure.
 - B. It is not best to treat ERP as an investment as well as a cost-cutting measure.
 - C. It is best to treat ERP as an disinvestment as well as a cost-cutting measure.
 - D. It is best to treat ERP as an investment but not as a cost-cutting measure.**
133. ETO means
- A. Engineer-to-Order**
 - B. Engineer-to-Offer
 - C. Enterprise-to-Order
 - D. Enterprise-to-Offer
134. The vendor should have a _____, who must constantly interact with the implementation team.

- A. **Liaison officer**
- B. Project Supervisor
- C. Project Manager
- D. Implementation co-ordinator

135. Identify the correct statement.
- A. The only problem with the package vendors is that they are very expensive.
 - B. The only problem with the business consultants is that they are very expensive.**
 - C. The only problem with the employee training is that it is very expensive.
 - D. The only problem with the planning of implementation is that it is very expensive.
136. When ERP system is introduced in a company, many employees find the transformation difficult to accept because of which of the two reasons:
- 1. The employees are not given proper training.
 - 2. Employees who were earlier doing the work of recording information are transformed into decision-makers.
 - 3. Of fear of unemployment.
 - 4. They fear that ERP systems will revolutionalise the way they live and work.
- A. 1 & 2
 - B. 3 & 4
 - C. 2 & 4
 - D. 1 & 3**
137. The package should be _____ and should have installations in countries where the _____ has offices.
- A. Domestic, Vendor
 - B. International, Company**
 - C. International, System developer
 - D. International, Vendor
138. The _____ should be a replica of the organisation's _____ processes.
- A. MIS, Business
 - B. ERP, Financial
 - C. MIS, Financial
 - D. ERP, Business**
139. The disadvantages of a system when it works in isolation are:
- 1. It becomes difficult to collect and analyse data needed for the functioning of any department.
 - 2. It results in the loss of profits to the organisation that could have been better spent in decision making.

3. Business executive or decision-maker cannot take good decisions with the isolated data.
- A. **1 & 3**
 - B. 1 & 2
 - C. 2 & 3
 - D. 1
140. MIS is a computer-based system that optimises the _____ of information throughout an organisation.
- 1. Collation
 - 2. Collection
 - 3. Transfer
 - 4. Presentation
- A. 1, 2, & 3
 - B. **1, 3, & 4**
 - C. 1, 2, & 4
 - D. 1, 2, 3, & 4
141. In the next generation, DSS hardware and software will be embedded with the latest technological innovations like the
- 1. Planning and forecasting models,
 - 2. Fourth generation languages,
 - 3. Artificial intelligence.
 - 4. Data mining
- A. 1, 3, & 4
 - B. **1, 2, & 3**
 - C. 1 & 3
 - D. 3 & 4
142. The stakeholders within the enterprise must
- A. **Be involved in the project initiation phase where the decision making process is agreed and attend Vendor demonstrations**
 - B. Not assist in the gathering of requirements
 - C. Not be involved in vendor demonstration
 - D. Involve only in vendor demonstration
143. One common mistake that companies resort when selecting an ERP system is
- A. Non biased selection
 - B. **Over-emphasis on system cost**
 - C. Complete set of requirements
 - D. Not relying on vendor demos

144. The sales and distribution modules of many ERP vendors, offer a comprehensive set of best of its kind components for both _____ and _____ management.
- Manufacturing, Production
 - Sales, Distribution
 - Planning, Business
 - Order, Logistics**
145. _____ are collected and archived in a manner that offers full support for _____ process control techniques.
- Product quality metrics, Statistical**
 - Statics, Product quality metrics
 - Production quality, Statistical
 - Product quality metrics, Financial
146. Identify the correct statements.
- The manufacturing segment accounts for nearly 25% of the total Information Technology
 - The process and discrete manufacturing segments spent a total of Rs 2,605 crore on IT in the year 1996-97.
 - The manufacturing segment helps in improving IT infrastructure, automating internal and external processes, and better decision-making.
 - Discrete manufacturing accounted for nearly 15% of the total segment spending and the rest came in from process manufacturing.
- 1 & 4
 - 2 & 3
 - 1 & 3**
 - 2 & 4
147. Identify the two aims of JIT approach applied to the organisation.
- Production system
 - Elimination of Waste
 - Total Employee Involvement
 - Production philosophy
- 1 & 2
 - 2 & 3**
 - 1 & 4
 - 3 & 4
148. Which among the following information is available in the Supplier file?
- Purchasing information
 - Payment terms
 - Tolerance for receiving and invoicing
 - Addresses

- A. 1
 - B. 3 & 4
 - C. 1, 2, 3 & 4**
 - D. 2 & 3
149. The Sales Support component helps the sales and marketing department to.....
- A. Support existing customers only.
 - B. Supports in developing new business.
 - C. Support existing customers but does and help to develop new business.
 - D. Support existing customers and, at the same time, to develop new business.**
150. Identify the correct answer: The three major activities associated with ERP inventory management are:
- a. Identifying inventory requirements
 - b. Customising information
 - c. Monitoring item usages
 - d. Integrating the inventory balances
- A. B,C,D
 - B. D,A,B
 - C. A,C,D**
 - D. C,B,A
151. Select the modules that decides the inputs required and suppliers for delivery?
- A) Inventory placing
 - B) Inventory order assessment
 - C) Inventory requisition
 - D) Supplier Performa
- A. A,D
 - B. D,B
 - C. C,B**
 - D. D,C
152. CRM yields employees with _____ and improves personal _____ efficiencies
- A. Work, work advantage
 - B. Customisation, work
 - C. Work advantage, work**
 - D. Customisation, work advantage
153. The two major objectives of Human Resources are:
- A) To provides instant updates of information.
 - B) To make the workflow cost effective.

- C) To provide training to the employees.
 D) To provide self service benefits to the employees.
- A. B,C,
 B. D,A,
C. B,D
 D. A,C
154. As processes become more automated and efficient,
A. It is best to treat ERP as an investment as well as a cost-cutting measure.
 B. It is not best to treat ERP as an investment as well as a cost-cutting measure.
 C. It is best to treat ERP as an disinvestment as well as a cost-cutting measure.
 D. It is best to treat ERP as an investment but not as a cost-cutting measure.
155. The _____ and _____ manage the supplier relations, monitor the vendor activities and manage the supplier quality in an organisation.
 A. Supplier management, customisation processes
 B. Supplier maintenance, control processes
C. Supplier management, control processes
 D. Supplier maintenance, customisation processes
156. The direct benefits of an ERP system include:
 A. Business integration, Flexibility, Improved customer goodwill, Customer satisfaction.
B. Business integration, Better analysis and planning capabilities, Flexibility, Use of latest technology.
 C. Better analysis and planning capabilities, Flexibility, Use of latest technology, Customer satisfaction.
 D. Improved customer goodwill, Customer satisfaction, Use of latest technology, Flexibility.
157. Identify the correct statement (s) about MIS.
 1. A system that produce information products that support many of the day-to-day decision making needs of the management.
 2. Also called information managing system.
 3. A system that satisfies the needs of the top level management.
 4. A system that operates at a departmental level.
- A. 2 & 3
B. 1 & 4
 C. 4
 D. 1, 2 & 3

158. An ideal interface for an EIS would be the one that is:
1. Simple to use.
 2. Highly flexible.
 3. Provides consistent performance.
 4. Reflects the executive's world.
- A. 1, 2, & 3
B. 2, 3, & 4
C. 1, 2, 3, & 4
D. 1, 2, & 4
159. Arrange the following statements in correct order
- A) Determining the timing of data migration
 - B) Deciding on migration related setups
 - C) Identifying the data to be migrated
 - D) Freezing the tools for data migration
 - E) Deciding on data archiving
 - F) Generating the data templates
- A. C, F, A, B, D, E
B. C, A, F, D, B, E
C. F, D, A, C, B, E
D. D, A, C, B, E, F
160. Identify the subsystems of Plant Maintenance module of an ERP system:
1. Component Tracking
 2. Preventive Maintenance Control
 3. Inventory Management
 4. Cost Management
- A. 1, 2 & 3
B. 2, 3 & 4
C. 1 & 2
D. 1, 3 & 4
161. Identify the main components of PDM systems--
1. Data Management
 2. Classification of Components
 3. Product Structure
 4. Document relationships
- A. 1, 2 & 3**
B. 1, 4 & 3
C. 2 & 3
D. 4 & 3

162. Sub modules of Sales and Distribution modules are:

1. Order Management
2. Warehouse Management
3. Foreign Trade
4. Sales Support

- A. 3
B. 1 & 2
C. 2 & 4
D. 1, 2, 3 & 4

163. Match the following:

First set:

1. Material request management
2. Material Issue
3. Material Receipt
4. Stock Valuation

Second set:

- A) A receipt is issued from the seller.
B) Stock is verified mechanically.
C) Appeal for materials is made from various departments.
D) Materials are issued as per order.

- A. 1A, 2B, 3C, 4D.**
B. 2A, 3C, 4D, 1B.
C. 4A, 2C, 3D, 1B.
D. 3B, 2D, 4C, 1A.

164. Components of a CRM system are:

1. Users
2. Hardware and Operating Systems
3. CRM Software
4. Business Processes

- A. 3 & 4
B. 1, 2, 3 & 4
C. 2 & 4
D. 1, 2 & 3

165. State whether the following are True/False.

1. HRM defines enterprise planning for work and job roles with respect to specific language.
2. HRM defines staff selection and decides various phases of the project according the policies of the company.

3. HRM does not facilitate recruitment process.
4. HRM deploys effective search engine to easily find and sort out the profiles that is filtered with respect to the company's criteria.

- A. 1T, 2F, 3F, 4T
- B. 1T, 2T, 3T, 4T
- C. 1T, 2T, 3F, 4T**
- D. 1T, 2T, 3F, 4F

166. Important point to be kept in mind while evaluating ERP software is the total costs that includes

1. Cost of license
2. Cost of Training
3. Implementation and maintenance cost.
4. Customisation and hardware requirements costs.

- A. 1, 2, & 3
- B. 2, 3, & 4
- C. 1, 2, 3, & 4**
- D. 1, 2, & 4

167. Match the following sets of topology categories and their examples.

First Set:

1. Internal failure costs
2. External failure costs
3. Appraisal costs,
4. Prevention costs

Second Set:

- A) Costs of scrap.
- B) Design and development of new quality equipment
- C) Cost of inspecting upon arrival.
- D) Warranty claims.

- A. 1A, 2D, 3C, 4B**
- B. 1C, 2B, 3D, 4A
- C. 1C, 2D, 3A, 4B
- D. 1C, 2A, 3B, 4D

168. World Software automatically allows the user to,

1. Selectively mix, match and integrate software applications.
2. Easily modify it to ongoing business, local and organisation-specific requirements.
3. Maximise productivity by shrinking the amount of training users need.
4. Add WorldVision, its advanced graphical user interface.

- A. 1 & 3
- B. 2, 3, & 4

- C. 1, 2, & 3
- D. 1, 2, & 4**

169. Identify the statements whether true or false.

1. Consultants come up with innovations that make the packages more efficient and flexible to implement and use.
2. New ERP packages don't have features and functionality to cater to the needs of businesses in all sectors.
3. The company can develop the training and testing environment for the implementation team as they acquire the package.
4. There is no need to provide the in-house experts a through training on the features of the package.

- A. 1T, 2F, 3F & 4T
- B. 1T, 2T, 3T, & 4F
- C. 1F, 2T, 3F, & 4F
- D. 1F, 2F, 3T, & 4F**

170. Identify the statements whether true or false.

1. SAP R/3 application Reference Model provides views of R/3 processes, data models and functions.
2. BAPIs are implemented and stored in the R/3 system as RFC modules.
3. BAPIs can be called as sets of methods that never allows external applications to collaborate with specific R/3 business objects.
4. BAPIs gives flexibility to the second party application vendors to build supporting applications for the R/3 system.

- A. 1T, 2T, 3F & 4T**
- B. 1F, 2T, 3T, & 4F
- C. 1F, 2T, 3F, & 4T
- D. 1F, 2F, 3T, & 4F

171. The process of understanding and specifying in detail what the information system should accomplish is called systems ____.

- A. Design
- B. Specification
- C. Analysis**
- D. Administration

172. Systems ____ means specifying in detail how the many components of the information system should be physically implemented.

- A. Design**
- B. Specification
- C. Analysis
- D. Administration

173. The most important role of a systems analyst in business is ____.
- A. Technical understanding of information systems
 - B. Problem solving**
 - C. Knowing what data needs to be stored and used
 - D. Special programming skills
174. _____ refers to the division of a system into processes or subsystems.
- A. System design
 - B. Data management
 - C. Programming
 - D. Functional decomposition**
175. An automation boundary is best described as the separation between the ____.
- A. System and its environment
 - B. Automated part of a system and the manual part of a system**
 - C. Manual part of a system and its environment
 - D. Automated part of a system and its environment
176. Changes in software development, technology, and business practices have created many new career opportunities for analysts, including ____.
- A. Sales and support of ERP software
 - B. Auditing, compliance, and security
 - C. Web development
 - D. All of the above**
177. A technique that seeks to alter the nature of the work done in a business function, with the objective of radically improving performance, is called ____.
- A. Business process reengineering**
 - B. Strategic planning
 - C. Information systems strategic planning
 - D. Enterprise resource planning (ERP)
178. A description of the integrated information systems needed by the organization to carry out its business functions is called ____.
- A. Business process re-engineering
 - B. Application architecture plan**
 - C. Technology architecture plan
 - D. Enterprise resource planning (ERP)
179. A description of the hardware, software, and communications networks required to implement planned information systems is called ____.
- A. Information systems strategic planning c. technology architecture plan
 - B. Applications architecture planning
 - C. Technology architecture plan**
 - D. Enterprise resource planning (ERP)

180. Rocky Mountain Outfitters would like to further distribute business applications across multiple locations and computer systems, reserving the data center for Web server, database, and telecommunications functions. This is an example of ____.
- A. Applications architecture planning
 - B. Enterprise resource planning (ERP)
 - C. Technology architecture planning**
 - D. Strategic planning
181. Which of the following is an example of a technique used to complete specific system development activities?
- A. Project planning**
 - B. Integrated development environment (IDE)
 - C. Application service provider (ASP)
 - D. Supply chain management (SCM)
182. Which of the following is the analyst's approach to problem solving?
- A. Verify that the benefits of solving the problem outweigh the costs, then research and understand the problem.
 - B. Develop a set of possible solutions, then verify that the benefits of solving the problem outweigh the costs.
 - C. Verify that the benefits of solving the problem outweigh the costs, then define the requirements for solving the problem.**
 - D. Implement the solution, then define the details of the chosen solution.
183. The last step of the analyst's approach to problem solving is ____.
- A. Decide which solution is best, and make a recommendation
 - B. Monitor to make sure that you obtain the desired results**
 - C. Verify that the benefits of solving the problem outweigh the costs
 - D. Implement the solution
184. A knowledge management system ____.
- A. Indexes all the knowledge contained within an organization
 - B. Supports the storage of and access to documents within an organization**
 - C. Is another term for a library system
 - D. Requires a very large amount of online storage space
185. Skills in a nontechnical area such as interviewing and team management are called ____.
- A. Inherent skills
 - B. Technical skills
 - C. Hard skills
 - D. Soft skills**
186. An example of a project phase in a predictive project is ____.
- A. Gathering information about the user's needs
 - B. Performing a project cost/benefit analysis

- C. Planning the project**
D. Drawing the system interface
187. The primary objective of the analysis phase is to _____.
A. Analyze the capabilities and structure of the previous system
B. Prioritize the alternatives for a new system
C. Determine the basic structure and approach for the new system
D. Understand and document the users' needs and requirements
188. The problem domain is the part of systems development that refers to the _____.
A. Problems associated with the computing environment
B. Area of the user's business for which a system is being developed
C. Problems of the organization of the company
D. Area of the industry that results in more intense competition
189. That portion of the new information system that satisfies the user's business needs in the problem domain is referred to as the _____.
A. System procedure
B. Application
C. Network
D. User interface
190. The ____ phase begins only after the new system has been installed and put into production, and it lasts throughout the productive life of the system.
A. Analysis
B. Design
C. Implementation
D. Support
191. Users are typically more involved in the project during which two phases?
A. Analysis and design
B. Planning and analysis
C. Design and implementation
D. Analysis and implementation
192. The first official activity of the project team as it initiates the project planning phase is to _____.
A. Define the business problem
B. Staff the project team
C. Develop a cost/benefit analysis
D. Write a project proposal
193. The term “_____” describes a planned undertaking that produces a new information system.
A. Systems development project
B. Phase

- C. Systems development life cycle (SDLC)
 - D. Design phase
194. Most new information systems must communicate with other, existing systems, so the design of the method and details of these communication links must be precisely defined. These are called ____.
- A. Models
 - B. System interfaces**
 - C. Help desks
 - D. Design interfaces
195. The term “ ____ ” means that work activities are done once, then again, and yet again.
- A. Extreme programming (XP)
 - B. Iteration**
 - C. Agile modeling
 - D. Unified Process (UP)
196. The term ____ refers to an approach that completes parts of a system in one or more iterations and puts them into operation for users.
- A. Incremental development**
 - B. Information engineering (IE)
 - C. Unified Process
 - D. Structured design
197. A(n) ____ in system development is a collection of guidelines that help an analyst complete a system development activity or task.
- A. Iteration
 - B. Model
 - C. Technique**
 - D. Tool
198. A(n) ____ program is one that has one beginning and one ending.
- A. Iterative
 - B. Structured**
 - C. Incremental
 - D. Object-oriented
199. ____ programming divides more complex programs into a hierarchy of program modules.
- A. Incremental
 - B. Iterative
 - C. Object – Oriented
 - D. Top-down**

200. The key graphical model of the systems requirements used with structured analysis is the ____.
- A. Flowchart
 - B. Data flow diagram (DFD)**
 - C. Class diagram
 - D. Project evaluation and review technique (PERT) chart
201. A(n) ____ is a thing in the computer system that is capable of responding to messages.
- A. Entity-relationship diagram (ERD)
 - B. Model
 - C. Tool
 - D. Object**
202. The ____ is a critical component of any new system.
- A. Project management application
 - B. User interface**
 - C. Reverse engineering tool
 - D. Code generator tool
203. The objective of the ____ phase is to keep the system running productively during the years following its initial installation.
- A. Support**
 - B. Design
 - C. Planning
 - D. Analysis
204. The ____ technique was developed to provide some guidelines for deciding what the set of programs should be, what each program should accomplish, and how the program should be organized into a hierarchy.
- A. Extreme programming (XP)
 - B. Structured design**
 - C. Object – oriented
 - D. Structure chart
205. A key concept in the ____ model approach is the focus on risk.
- A. Spiral**
 - B. Extreme programming (XP)
 - C. Risk
 - D. Agile
206. A(n) ____ approach to the SDLC is used when the exact requirements of a system or needs of users are not well understood.
- A. Predictive
 - B. Persistent
 - C. Incremental

D. Adaptive

207. The _____ approach is an SDLC approach that assumes the various phases of a project can be completed entirely sequentially.
- A. **Waterfall**
 - B. Artifact
 - C. Prototype
 - D. Spiral model
208. Visual modeling tools usually contain a database of information about the models and the project, which is called a(n) _____.
- A. Knowledge base
 - B. Information base
 - C. Library
 - D. **Repository**
209. One popular visual modeling tool is _____.
- A. Firefox
 - B. PowerPoint
 - C. **Visio**
 - D. Photoshop