

SD COLLEGE OF MANAGEMENT STUDIES
BUSINESS INTELLIGENCE AND BUSINESS DECISIONS
UNIT-1

1. What is the primary goal of business intelligence (BI)?

- a) Increasing operational efficiency
- b) Maximizing revenue
- c) Enhancing decision-making
- d) Streamlining communication

Ans-c

2. Which of the following is NOT a component of the typical business intelligence system?

- a) Data warehousing
- b) Data mining
- c) Customer relationship management (CRM)
- d) Enterprise resource planning (ERP)

Ans-d

3. Which of the following best describes descriptive analytics?

- a) Predicting future outcomes based on historical data
- b) Identifying patterns and trends in past data
- c) Real-time monitoring of business processes
- d) Optimizing decision-making through simulations

Ans-b

4. What is the purpose of data visualization in business intelligence?

- a) To make data easier to understand and interpret
- b) To encrypt sensitive data for security purposes
- c) To automate data entry processes
- d) To predict future trends based on historical data

Ans-a

5. Which of the following is a key benefit of using business intelligence tools?

- a) Decreased data security
- b) Increased data silos
- c) Enhanced data-driven decision-making
- d) Reduced need for data analysis

Ans-c

6. What role does predictive analytics play in business intelligence?

- a) Analyzing past data to identify trends and patterns

- b) Predicting future outcomes based on historical data
- c) Real-time monitoring of business processes
- d) Optimizing decision-making through simulations

Ans-b

7. Which of the following is NOT a common data visualization technique?

- a) Bar charts
- b) Scatter plots
- c) Pie charts
- d) SQL queries

Ans-d

8. What is the purpose of a decision support system (DSS) in business intelligence?

- a) To automate routine business processes
- b) To provide analytical tools for decision-making
- c) To manage customer relationships
- d) To secure sensitive business data

Ans-b

9. Which of the following statements is true about business intelligence?

- a) It focuses solely on historical data analysis.
- b) It is primarily used for data storage.
- c) It helps organizations gain insights for strategic decision-making.
- d) It is used exclusively by large corporations.

Ans-c

10. What role does data mining play in business intelligence?

- a) It involves the process of extracting useful information from raw data.
- b) It encrypts sensitive data for security purposes.
- c) It manages customer relationships.
- d) It automates routine business processes.

Ans-a

11. What is the purpose of decision modeling?

- a) To automate decision-making processes entirely
- b) To represent decision-making processes in a structured format
- c) To eliminate human involvement in decision-making
- d) To analyze historical data only

Ans-b

12. Which of the following is NOT a common type of decision model?

- a) Decision trees
- b) Markov chains

- c) Supply chain optimization
- d) Bayesian networks

Ans-c

13. What is the main advantage of using decision trees in decision modeling?

- a) They require minimal computational resources.
- b) They provide insights into complex decision-making processes.
- c) They can model both deterministic and probabilistic outcomes.
- d) They are only suitable for binary decision outcomes.

Ans-c

14. Which of the following statements is true about Markov chains in decision modeling?

- a) They are primarily used for modeling continuous decision processes.
- b) They are deterministic models that don't consider probabilities.
- c) They assume that future states depend only on the current state.
- d) They are used exclusively in financial decision-making.

Ans-c

15. In decision modeling, what does the term "optimization" refer to?

- a) Maximizing or minimizing certain objectives while satisfying constraints
- b) Automating decision-making without human intervention
- c) Analyzing historical data patterns
- d) Modeling decision processes using graphical representations

Ans-a

16. Which of the following is a limitation of using decision modeling?

- a) It cannot handle uncertainty in decision outcomes.
- b) It requires extensive computational resources.
- c) It is not suitable for representing complex decision processes.
- d) It relies heavily on subjective inputs and assumptions.

Ans-a

17. What role does sensitivity analysis play in decision modeling?

- a) It helps identify the most critical factors influencing decision outcomes.
- b) It eliminates the need for decision models altogether.
- c) It automates the decision-making process.
- d) It only focuses on historical data analysis

Ans-a

18. Which of the following techniques is commonly used for simulating decision processes?

- a) Linear regression
- b) Monte Carlo simulation

- c) Neural networks
- d) Principal component analysis (PCA)

Ans-b

19. What is the primary benefit of using decision models in business?

- a) Eliminating the need for human decision-makers
- b) Improving the speed and accuracy of decision-making
- c) Reducing the complexity of decision processes
- d) Increasing data security

Ans-b

20. What does a Bayesian network represent in decision modeling?

- a) Probabilistic dependencies between variables
- b) Linear relationships between variables
- c) Causal relationships between variables
- d) Random relationships between variables

Ans-a

21. What is the primary function of a decision support system (DSS)?

- a) Automating all decision-making processes
- b) Providing data analysis tools for strategic decision-making
- c) Managing customer relationships
- d) Controlling operational processes

Ans-b

22. Which of the following is NOT a characteristic of a decision support system?

- a) Ability to handle unstructured and semi-structured problems
- b) Incorporation of a database management system (DBMS)
- c) Focus on supporting routine, day-to-day decisions
- d) Use of analytical models and data analysis tools

Ans-c

23. Which component of a decision support system helps in retrieving and storing data?

- a) Model base
- b) User interface
- c) Database management system (DBMS)
- d) Decision-maker

Ans-c

24. What is the purpose of the model base in a decision support system?

- a) Storing historical data
- b) Generating reports for decision-makers
- c) Providing analytical models for decision-making

d) Interacting with users through graphical interfaces

Ans-c

25. Which of the following is an example of a decision support system application?

- a) Social media platform
- b) Inventory management system
- c) Email client
- d) Word processor

Ans-b

26. What role does the user interface play in a decision support system?

- a) Storing and retrieving data
- b) Providing a way for users to interact with the system
- c) Performing complex data analysis
- d) Generating reports for decision-makers

Ans-b

27. Which of the following decision-making activities is NOT supported by decision support systems?

- a) Strategic planning
- b) Operational control
- c) Predictive maintenance
- d) Employee scheduling

Ans-d

28. What distinguishes a decision support system from other types of information systems?

- a) Its focus on automating routine tasks
- b) Its ability to support decision-making activities
- c) Its reliance on paper-based processes
- d) Its exclusive use by senior management

Ans-b

29. Which of the following statements is true about decision support systems?

- a) They are primarily used for automating decision-making without human intervention.
- b) They rely solely on historical data for decision-making.
- c) They are designed to support both structured and unstructured decision-making.
- d) They do not require analytical models or data analysis tools.

Ans-c

30. What is the main benefit of using a decision support system?

- a) Increased operational complexity

- b) Reduced data accessibility
- c) Improved decision-making effectiveness
- d) Limited user interaction

Ans-c