

Table of Contents

<i>Preface</i>	<i>iii</i>
<i>Introduction</i>	<i>xvii</i>
Chapter 1: Introduction to Management Information System	1
1.1 Introduction	2
1.2 Concept of Information System (IS)	2
1.2.1 Computer Literacy and IS Literacy	3
1.2.2 IS Components	3
1.2.3 Trends in IS	4
1.2.4 Classification of IS	5
1.2.5 Framework of IS in an Organization	6
1.2.6 IS and Business Organization	6
1.2.7 Human Body as an Information System	7
1.2.8 IS Failures and Causes	8
1.3 Management Information System (MIS)	8
1.3.1 Nature and Scope of MIS	9
1.3.2 Characteristics of MIS	9
1.3.3 Need of MIS	9
1.3.4 Role of MIS	10
1.3.5 Functions of MIS	10
1.3.6 Adopting MIS in Organizations	11
1.3.7 Future of MIS	11
1.4 Structure of MIS	12
1.4.1 Physical Components	12
1.4.2 Information Processing	12
1.4.3 Management Functions	12
1.4.4 Decision Support	13
1.5 Summary	15
1.6 Key Terms	15
1.9 Exercise	15
Multiple Choice Questions	15
Short Answer Type Questions	17
Long Answer Type Questions	20

Chapter 2: Applications and Strategic Advantages of MIS.....	21
2.1 Introduction	22
2.2 Applications of MIS in Finance and Accounting	22
2.2.1 Accounting Information System	22
2.2.2 Financial Management Information System.....	23
2.2.3 Integrated Financial Management Information System (IFMIS).....	24
2.3 Applications of MIS in Marketing.....	25
2.3.1 Advantages of Marketing Information System.....	25
2.3.2 Functions of Marketing Information System.....	25
2.3.3 Strategic Marketing Information System	26
2.4 Application of MIS in Production.....	27
2.5 Application of MIS in Human Resource Management	27
2.5.1 Advantages of HRIS	28
2.5.2 Tactical HRIS.....	28
2.5.3 Strategic Human Resource Development System	29
2.6 Strategic Management Information System.....	29
2.7 Strategy Levels	30
2.7.1 Industry Level Strategy and MIS.....	30
2.7.2 Firm Level Strategy and MIS.....	32
2.7.3 Business Level Strategy and MIS	33
2.8 Application of MIS for Strategic Advantage	34
2.9 Customer Relationship Management (CRM) System.....	35
2.10 Supply Chain Management (SCM) System	35
2.11 Business Process Re-Engineering (BPR) Systems	36
2.12 Enterprise Resource Planning (ERP) System	36
2.13 Summary.....	38
2.14 Key Terms	38
2.15 Exercise	38
Multiple Choice Questions.....	38
Short Answer Type Questions.....	40
Long Answer Type Questions.....	42
Chapter 3: Introduction to Computer Systems	45
3.1 Introduction	46
3.2 Defining Computer	46
3.3 History of Computer and Its Pioneers.....	47
3.3.1 Abacus.....	47
3.3.2 ENIAC and EDVAC.....	48
3.3.3 IBM Personal Computer.....	49
3.3.4 Blaise Pascal	49
3.3.5 Charles Babbage	50
3.4 Exploring the Generations of Modern Computer	50
3.4.1 First Generation Computers (1940-1956)	50
3.4.2 Second Generation Computers (1956-1963).....	51

3.4.3	Third Generation Computers (1964-1971)	51
3.4.4	Fourth Generation Computers (1971-Present).....	51
3.4.5	Fifth Generation Computers (Present and Beyond)	51
3.5	Exploring the Basic Components of a Computer.....	52
3.6	Exploring the Basic Structure of a Computer	53
3.6.1	System Unit.....	53
3.6.2	Basic Input Output System (BIOS)	55
3.6.3	Memory.....	55
3.6.4	Cards.....	59
3.6.5	Switch-Mode Power Supply.....	59
3.7	Computer Hardware – Input/ Output devices.....	59
3.7.1	Input Devices	60
3.7.2	Output Devices	61
3.7.3	Other Hardware Devices.....	63
3.8	Describing Computer Software.....	64
3.8.1	System Software.....	65
3.8.2	Application Software.....	65
3.9	Categorizing Computers	67
3.9.1	Computer for Individuals.....	68
3.9.2	Computer for Organizations.....	70
3.10	Summary.....	72
3.11	Key Terms	73
3.12	Exercise	73
	Multiple Choice Questions.....	73
	Short Answer Type Questions.....	75
	Long Answer Type Questions.....	77
Chapter 4: Management of Data Resources	79	
4.1	Introduction	80
4.2	Concept of Data.....	80
4.2.1	Logical and Physical Views of Data	80
4.2.2	Characteristics of Data.....	80
4.2.3	Types of Data.....	80
4.2.4	Data Resources	81
4.2.5	Data Administration	82
4.3	Concept of Database	82
4.3.1	Types of Databases	82
4.3.2	Data Warehouse.....	83
4.3.3	Data Mining.....	84
4.3.4	Data Models.....	85
4.4	Designing Database and Database Modeling.....	85
4.4.1	Database Models.....	85
4.4.2	Database Designing Process.....	86

4.5	DBMS	86
4.5.1	Features of DBMS.....	87
4.5.2	Database and DBMS	87
4.5.3	Components of DBMS.....	88
4.5.4	Functions of DBMS	88
4.5.5	Trends in DBMS.....	89
4.5.6	DBMS Architecture	90
4.6	Basic DBMS Concepts.....	91
4.6.1	Relationships.....	92
4.6.2	Keys	92
4.6.3	Normalization	92
4.6.4	DBMS Facilities	93
4.7	SQL.....	94
4.8	RDBMS	94
4.9	Data Processing	94
4.10	Information Concept.....	95
4.10.1	Difference between Data and Information	95
4.10.2	Characteristics of Information	95
4.10.3	Types of Information	96
4.10.4	Quality of Information.....	96
4.10.5	Functions of Information	96
4.11	Summary.....	97
4.12	Key Terms	98
4.13	Exercise	99
	Multiple Choice Questions.....	99
	Short Answer Type Questions.....	101
	Long Answer Type Questions.....	103
Chapter 5: Communication Technology and Network.....		105
5.1	Introduction	106
5.2	Understanding Communication Technology.....	106
5.2.1	Communication Technology in Organization.....	106
5.2.2	Communication System.....	108
5.2.3	Telecommunication	108
5.3	Networking - Convergence of Computing and Communication	110
5.3.1	Basics of Networking.....	111
5.3.2	Need for Networking.....	111
5.3.3	Components of a Network	112
5.3.4	Architecture of Networks	113
5.3.5	The OSI Model of Network Communication.....	113
5.3.6	Types of Networks.....	117
5.3.7	Network Topologies.....	119
5.4	Hardware and Software Used for Networking.....	120
5.4.1	Networking Cables.....	121
5.4.2	Networking Devices	122

5.4.3	Network Interface Card	124
5.4.4	Network Protocols.....	125
5.5	Applying Communication Networks in Organization.....	125
5.5.1	Intranet	126
5.5.2	Extranet.....	127
5.6	Describing the Internet.....	128
5.6.1	Concept of Internet.....	128
5.6.2	Connecting to the Internet.....	128
5.6.3	World Wide Web	129
5.6.4	Internet in Business	129
5.6.5	Broadband Technology.....	130
5.7	Summary.....	130
5.8	Key Terms	130
5.9	Exercise	131
	Multiple Choice Questions.....	131
	Short Answer Type Questions.....	133
	Long Answer Type Questions.....	135
Chapter 6:	Decision Support System (DSS)	137
6.1	Introduction	138
6.2	Concept of Decision Making.....	138
6.2.1	Types of Decisions	138
6.2.2	Decision Making Process.....	139
6.2.3	Individual Model of Decision Making.....	140
6.2.4	Simon's Model of Decision Making	140
6.2.5	Techniques of Decision making.....	140
6.2.6	The Delphi Method	142
6.2.7	Reactive Decision Making	142
6.3	Understanding Decision Support System (DSS).....	143
6.3.1	Problem Solving and DSS.....	143
6.3.2	Evolution of DSS.....	143
6.3.3	Components of DSS.....	144
6.3.4	DSS Architecture	144
6.3.5	Analytical Models in DSS	145
6.3.6	Characteristics of DSS	145
6.4	Types of DSS.....	146
6.4.1	Model-driven DSS	147
6.4.2	Communication-driven DSS.....	147
6.4.3	Data-driven DSS.....	147
6.4.4	Document-driven DSS.....	147
6.4.5	Knowledge-driven DSS.....	147
6.4.6	Web-based DSS	147
6.5	Tools and Technologies Supporting DSS	147

6.6	DSS and Outsourcing	148
6.7	Group Decision Support Systems.....	149
6.7.1	Elements of GDSS	149
6.7.2	Characteristics of GDSS	149
6.8	Executive Support Systems (ESS).....	150
6.9	Summary.....	151
6.10	Key Terms	151
6.11	Exercise	152
	Multiple Choice Questions.....	152
	Short Answer Type Questions.....	154
	Long Answer Type Questions.....	156
Chapter 7: System Development and Design		159
7.1	Introduction	160
7.2	The System Approach.....	160
7.2.1	The Concept of System.....	160
7.2.2	Characteristics of a System.....	161
7.2.3	Types of Systems.....	161
7.2.4	Elements of a System.....	162
7.2.5	Decomposition and Integration of a System	162
7.3	Developing Information System.....	163
7.3.1	Waterfall Model	163
7.3.2	Prototyping Approach.....	164
7.3.3	Evolutionary Model	164
7.3.4	Spiral Model.....	164
7.3.5	Incremental Model.....	165
7.4	Traditional System Development Lifecycle.....	165
7.4.1	System Investigation.....	166
7.4.2	Prototyping.....	166
7.4.3	Feasibility Analysis	166
7.4.4	System Design.....	167
7.4.5	System Testing	167
7.4.6	System Implementation	167
7.4.7	System Maintenance.....	167
7.4.8	Advantages of SDLC.....	168
7.4.9	Disadvantages of SDLC	168
7.5	Concept of System Analysis.....	169
7.5.1	Data Flow Diagram.....	169
7.5.2	Context Diagram	170
7.5.3	Data Dictionary	170
7.5.4	Entity-relationship Diagram.....	171
7.5.5	System Analyst.....	171
7.6	System Design	171
7.6.1	Conceptual Design.....	171

7.6.2	User Interface Design.....	173
7.6.3	Designing Methodology	173
7.7	Alternative System Building Methods.....	173
7.7.1	End-User Development.....	173
7.7.2	Outsourcing of System.....	174
7.7.3	Rapid Application Development.....	174
7.7.4	Component-based System Development	174
7.8	System Development and Organizational Change	174
7.8.1	Business Process Re-engineering.....	175
7.8.2	Restructuring	176
7.8.3	System Conversion in Organization	176
7.9	Summary.....	178
7.10	Key Terms	178
7.11	Exercise	178
	Multiple Choice Questions.....	178
	Short Answer Type Questions.....	180
	Long Answer Type Questions.....	183
Chapter 8: Knowledge Management and Artificial Intelligence in Business		185
8.1	Introduction	186
8.2	Knowledge in Business.....	186
8.2.1	Dimensions of Knowledge	187
8.2.2	Knowledge Culture.....	188
8.3	Knowledge Management	188
8.3.1	Shift from Information Age to Knowledge Age	188
8.3.2	Knowledge Sources.....	188
8.3.3	Knowledge Acquisition	189
8.3.4	Knowledge Base.....	189
8.4	Knowledge Support System	189
8.4.1	Types of KSS	190
8.4.2	Scope of KSS	190
8.4.3	Knowledge Network	191
8.5	Knowledge Worker	191
8.6	Strategic Advantage with Knowledge Management	191
8.6.1	Knowledge Creating Company	191
8.6.2	Learning Organization.....	191
8.6.3	Value Chain with KSS.....	193
8.7	Protection of Corporate Knowledge	193
8.8	Concept of Intelligence.....	194
8.9	Artificial Intelligence	194
8.10	Evolution of Artificial Intelligence.....	194
8.11	Applications of Artificial Intelligence	195
8.11.1	Applications in Computational Ability.....	196

8.11.2	Applications in Cognitive Science	196
8.11.3	Applications in Robotics	196
8.11.4	Applications in User Interface	196
8.12	Generating Artificial Intelligence	196
8.12.1	Neural Network.....	196
8.12.2	Fuzzy Logic.....	196
8.12.3	Fuzzy Control Systems.....	197
8.12.4	Generic Algorithms.....	197
8.12.5	Virtual Reality.....	197
8.12.6	Intelligent Agents.....	197
8.13	Expert Systems.....	198
8.14	Swarm Intelligence (SI)	198
8.15	Summary.....	199
8.16	Key Terms	199
8.17	Exercise	200
	Multiple Choice Questions.....	200
	Short Answer Type Questions.....	202
	Long Answer Type Questions.....	204

Chapter 9: Information Technology and Globalization 205

9.1	Introduction	206
9.2	Information Technology	206
9.3	Globalization and IT.....	207
	9.3.1 Advantages of Globalization	208
	9.3.2 Disadvantages of Globalization.....	208
9.4	Breaking Business Barriers-International Business.....	209
	9.4.1 The MNC Culture.....	210
	9.4.2 Need of MIS in MNCs.....	210
	9.4.3 Challenges in International Business.....	211
9.5	Managing Global Information System.....	211
	9.5.1 Criteria of GIS	212
	9.5.2 Challenges in Developing GIS.....	213
	9.5.3 GIS Development Methodologies.....	213
9.6	Recent Global Business Trends.....	213
	9.6.1 Virtual Organizations	214
	9.6.2 Outsourcing	214
9.7	Summary.....	217
9.8	Key Terms	217
9.9	Exercise	217
	Multiple Choice Questions.....	217
	Short Answer Type Questions.....	219
	Long Answer Type Questions.....	223

Chapter 10: E-Commerce	225
10.1 Introduction	226
10.2 E-Commerce and its Models.....	226
10.2.1 The B2C E-Commerce	227
10.2.2 The B2B E-Commerce.....	227
10.2.3 The C2C E-Commerce.....	228
10.2.4 The C2B E-Commerce	228
10.2.5 The B2G E-Commerce	228
10.2.6 The G2B E-Commerce	228
10.2.7 The C2G E-Commerce.....	228
10.2.8 The G2C E-commerce.....	228
10.2.9 The G2E E-Commerce	229
10.2.10 The B2E E-Commerce.....	229
10.3 Generations of E-commerce.....	229
10.4 Advantages of E-commerce.....	230
10.4.1 E-Government.....	230
10.4.2 E-Banking.....	231
10.4.3 E-Tailing	233
10.5 E-Marketplace Technology.....	234
10.5.1 Problem Definition.....	234
10.5.2 Research Process	235
10.5.3 Identifying Factors to Enter E-marketplace.....	235
10.5.4 Specifying Guidelines to Enter E-Marketplace.....	236
10.6 Introducing EDI	236
10.6.1 Standards of EDI.....	236
10.6.2 Transmission Modes of EDI.....	237
10.6.3 Disadvantages of EDI.....	238
10.7 E-Commerce in India.....	238
10.7.1 Scope of E-Commerce in India.....	239
10.7.2 Key Factors to Attract Indian Online Customer.....	240
10.7.3 Obstacles in the Way of E-commerce in India	240
10.7.4 E-Commerce and the Government of India.....	241
10.8 E-Cash and E-Payment Scheme.....	241
10.8.1 E-Cash.....	241
10.8.2 E-Payment Schemes.....	242
10.9 Purchase Order Processing and Payment.....	243
10.10 E-Transaction and Secure E-Transaction.....	244
10.10.1 Encryption.....	245
10.10.2 Digital Signature.....	246
10.11 Certificate Issuance.....	246
10.11.1 Cardholder Certificates	246
10.11.2 Trader Certificates	246
10.11.3 Acquirer and Issuer Certificates	247
10.12 Recent Trends in Shopping.....	247

10.13	Mobile Commerce.....	247
10.14	Business Intelligence.....	248
10.15	Summary.....	251
10.16	Key Terms.....	251
10.17	Exercise.....	251
	Multiple Choice Questions.....	251
	Short Answer Type Questions.....	253
	Long Answer Type Questions.....	256
Chapter 11:	MIS in Project Management.....	261
11.1	Introduction.....	262
11.2	Overview of Project Management.....	262
11.3	Understanding Project Management Information System (PMIS).....	262
	11.3.1 Role of PMIS in Project Management.....	263
	11.3.2 Characteristics of Information Provided by PMIS.....	264
	11.3.3 Challenges of PMIS.....	264
11.4	Introduction to Project Management Software (PMS).....	264
	11.4.1 Key Features of Project Management Software.....	265
	11.4.2 Classification of Project Management Software.....	265
	11.4.3 Advantages of the Project Management Software.....	266
	11.4.4 Disadvantages of Project Management Software.....	266
11.5	Introduction to the Microsoft Project Software.....	267
11.6	Summary.....	268
11.7	Key Terms.....	268
11.8	Exercise.....	269
	Multiple Choice Questions.....	269
	Short Answer Type Questions.....	271
	Long Answer Type Questions.....	273
Chapter 12:	Information System Security and Control.....	275
12.1	Introduction.....	276
12.2	Ethical Aspects in Information Technology.....	276
	12.2.1 Business Ethics in Information Technology.....	277
	12.2.2 Social Ethics in Information Technology.....	277
	12.2.3 Technological Ethics in Information Technology.....	277
12.3	Importance of Ethics in IT.....	277
12.4	Achieving Ethics in IT.....	278
	12.4.1 Privacy.....	278
	12.4.2 Control.....	278
	12.4.3 Security.....	279
12.5	Ethical Challenges of IT.....	279
	12.5.1 Cyber Crime.....	279
	12.5.2 Hacking.....	280
	12.5.3 Cyber Theft.....	280
	12.5.4 Unauthorized Usage.....	280
	12.5.5 Software Piracy.....	281

12.5.6	Piracy of Other Intellectual Property.....	281
12.5.7	Viruses and Worms.....	281
12.5.8	Social Engineering and Phishing.....	281
12.6	Security Management and Control.....	282
12.6.1	Internet-worked Security.....	283
12.6.2	Virus Protection.....	283
12.6.3	E-mail Monitoring.....	284
12.6.4	Other Security Issues.....	284
12.7	Management of Risks.....	285
12.8	Requirement of Regulatory System.....	285
12.8.1	Security Policy.....	285
12.8.2	Legal Actions.....	286
12.9	Summary.....	289
12.10	Key Terms.....	289
12.11	Exercise.....	290
	Multiple Choice Questions.....	290
	Short Answer Type Questions.....	292
	Long Answer Type Questions.....	295
Chapter 13:	General Technological Knowledge.....	297
13.1	Introduction.....	298
13.2	Operating Systems.....	298
13.2.1	Windows Operating System.....	298
13.2.2	Exploring Features of Windows OS.....	300
13.3	Domain Name System.....	303
13.4	Web Page.....	304
13.5	Web Browser.....	304
13.6	Web Server.....	305
13.7	Website.....	305
13.8	Website Hosting.....	305
13.8.1	File Hosting Service.....	306
13.8.2	Image Hosting Service.....	306
13.8.3	Video Hosting Service.....	306
13.9	E-Mail.....	306
13.9.1	Personal E-mail Accounts.....	307
13.9.2	E-Mail and Communication.....	307
13.10	Microsoft Word.....	309
13.11	Microsoft Excel.....	312
13.12	Microsoft PowerPoint.....	314
13.13	Summary.....	315
13.14	Key Terms.....	316
13.15	Exercise.....	316
	Multiple Choice Questions.....	316
	Short Answer Type Questions.....	319
	Long Answer Type Questions.....	321

Case Studies	325
Case Study-1: Innovative Business Idea: Amazon.com	325
Case Study-2: Agricultural Effectiveness and DSS.....	328
Case Study-3: ERP Implementation in IBM.....	329
Case Study-4: Apple iPhone 4S.....	330
Case Study-5: Online Payment Experience for Mr. X.....	331
Case Study-6: Information System at Frito-Lay.....	333
Case Study-7: TrustSphere: An Innovation	335
Case Study-8: Flipkart.com – the Amazon of India	336
Case Study-9: Recent Trends in the Operating Systems.....	338
Case Study-10: Implementation of CRM in DfES.....	339
Additional Questions	341
Glossery	407
Index	413
What’s on the CD-ROM	416