



Introduction Business Data Processing

Lawrence S. Orilia

McGraw-Hill Book Company

New York / St. Louis / San Francisco / Auckland Bogotá / Düsseldorf / Johannesburg / London / Madrid Mexico / Montreal / New Delhi / Panama / Paris São Paulo / Singapore / Sydney / Tokyo / Toronto

Introduction to Business Data Processing

Copyright © 1979 by McGraw-Hill, Inc. All rights reserved. Printed in the United States of America. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher.

1234567890 VHVH 7832109

Library of Congress Cataloging in Publication Data

Orilia. Lawrence.

Introduction to business data processing.

Bibliography: p.

Includes index.

1. Business-Data processing. 2. Electronic

data processing. I. Title.

HF5548.2.0688 658'.05'4 78-12777

ISBN 0-07-047830-9

This book was set in Helvetica Light by York Graphic Services, Inc. The editors were Robert A. Fry, Charles E. Stewart, Elysbeth H. Wyckoff, and Edwin L. Hanson; the designer was Howard Petlack, A Good Thing, Inc.; the production supervisor was Joe Campanella. The photo editor was Inge King; the researcher was Irene Sperling; the drawings were done by A Good Thing, Inc. Von Hoffmann Press, Inc., was printer and binder.

About the cover

Silicon chips, such as the one shown here, are the basis of the microelectronic devices that have revolutionized the computer industry. Photo-micrograph by Fritz Goro.

Photograph on pages ii and iii is courtesy of NCR Corp.

To my son Adrian, my daughter Vanessa, and my wife Tracy, who have all helped to fulfill my life and represent the measure of my happiness.

Contents

	Preface	X۱
	Portfolio: The History of Data Processing	XX
CHAPTER 1 The Impact of Computers I	Purpose of This Chapter	2
	Introduction	(
	1.1 The Need for Data The Shepherd's Need to Count Developing Trade and the Industrial Revolution Research Develops a Computer	(
	1.2 Computers in Society Moonshots or the Invasion of Privacy Computerized Analysis of Police or IRS Records Impersonalization of Computer Records Computer-related Jobs	ţ
	1.3 Computers in the Movies and Literature	ć
	1.4 Factors Relating to the Use of Computers Speed Accuracy Reliability	14
	1.5 A Payroll Application	16
	Summary	19
	Glossary	19
	Discussion Questions	20
	Summary Test	20
CHAPTER 2	Purpose of This Chapter	24
Welcome to the World	Introduction	2
of Data Processing 23	2.1 The User of Data Processing	2
	2.2 The Data Processing Department The Operations Group Programmers and Their Area The Systems Group	20

vii

	2.3 The Flow of Information	35
	2.4 Data Processing Systems Batch Processing Online Processing Time-sharing Remote Job Entry (RJE)	38
	Summary	45
	Glossary	46
	Discussion Questions	48
	Summary Test	48
CHAPTER 3	Purpose of This Chapter	52
Card Data, Keypunch and Other Devices	Introduction	53
51	3.1 The 80-Column Card Hollerith and the 1890 Census Characteristics of the Card The Hollerith Code The Unit Record Concept	54
	3.2 Card FieldsNumeric, Alphabetic, and Alphanumeric FieldsSubdivisions of FieldsDocumentation	58
	3.3 The 96-Column Card Binary Coded Decimal (BCD) Composing a BCD Character	61
	3.4 The Keypunching of Data The IBM 029 The Verification of Punched Data Other Keypunching Devices	68
	3.5 Punched Card Data Processing Advantages and Disadvantages An Inventory Control System Other Types of Punched Cards	72
	3.6 Electrical Accounting Machines (EAM)	78
	Summary	83
	Glossary	85
	Discussion Questions	87
	Summary Test	89
CHAPTER 4 Input and	Purpose of This Chapter	92
Output Devices 91	Introduction	93
	4.1 Card-oriented Devices Card Reader Card Punch Card Reader/Punch	94

	4.2 Printed Output Impact and Nonimpact Printers Plotters IBM 3800 Printing Subsystem	98
	4.3 Terminals Cathode-Ray Tube (CRT) Hardcopy Terminals and Punched Paper Tapes Light Pen Display Terminal Specialized Terminal Devices	109
	4.4 Intelligent Terminals	123
	4.5 Selected Data Processing Techniques Magnetic Ink Character Recognition (MICR) Optical Character Recognition (OCR) Computer-Output Microfilm (COM)	125
	Summary	131
	Glossary	132
	Discussion Questions	133
	Summary Test	134
CHAPTER 5	Purpose of This Chapter	138
Concepts of	Introduction	139
Computer Systems 137	5.1 Types of Computers Analog and Digital Computers Hybrid Computers General-purpose and Special-purpose Computers	139
	5.2 The Central Processing Unit (CPU) The EDP Cycle The Control Unit Arithmetic Logic Unit Primary Storage Unit	143
	5.3 The Storage of DataThe EBCDIC Code EBCDIC Shorthand NotationParity Bits The ASCII Code	147
	5.4 Secondary Storage	159
	5.5 Computer Advancements Overlapped Processing Virtual Storage	162
	Summary	167
	Glossary	168
	Discussion Questions	170
	Summary Test	170
	ix	

CHAPTER 6 Flowcharting 173	Purpose of This Chapter	174
	Introduction	175
	6.1 Flowcharts Systems versus Program Flowcharts Why Use Flowcharts?	176
	6.2 Symbols Used in Program Flowcharts Terminal Symbol Input-Output Symbol Processing Symbol Decision Symbol Annotation Symbol	180
	6.3 Getting Started with Flowcharts A First Flowchart The Flowchart Loop and 9's Decision	185
	6.4 Accumulators and Counters Accumulating a Total Counting the Loops by 1	199
	6.5 More Flowcharting Techniques and Problems Literals for Headings and Special Labels Decisions Accumulators and Counters What's Required'' Checklist Problems Multiple The "Finding	210
	Summary	223
	Glossary	224
	Discussion Questions	225
	Summary Test	227
	Appendix: Decision Tables	228
CHAPTER 7	Purpose of This Chapter	234
Introduction to Programming and	Introduction	235
	7.1 Programming Languages Machine Language Assembly Language High-Level Languages	235
	7.2 Selected Programming Languages FORTRAN COBOL BASIC RPG PL/1 SNOBOL	246
	7.3 The Execution of Computer Programs The Supervisor Control Program Compiling a Program Job Control Language (JCL)	253
	7.4 Operating Systems—DOS and OS	256
	7.5 The ABCs of Programming Analyze the Problem Build a Flowchart Solution Code the Solution Using the Selected Programming Language Debug and Test the Solution Prepare Final Program Documentation	257

	Summary	266
	Glossary	267
	Discussion Questions	269
	Summary Test	270
CHAPTER 8	Purpose of This Chapter	274
Programming in BASIC 273	Introduction	275
	8.1 General Line Format Line Number Command Variables	276
	8.2 A First BASIC Program READ and DATA Statements LET Statement PRINT Statement END Statement INPUT Statement	278
	8.3 Decisions, Loops, and Special Outputs IF/THEN Statement GO TO Statement Creating Literals Using the PRINT Statement REMARK Statement Selected System Commands	293
	8.4 Accumulators and Selected Problems Accumulators Multiple Outputs on One Line Multiple Decisions	304
	8.5 Counters and Automated Program Loops Counters FOR/NEXT Statement STEP Option	311
	8.6 The Storage of Data in Arrays	322
	Summary	331
	Glossary	332
	Discussion Questions	334
	Summary Test	335
CHAPTER 9	Purpose of This Chapter	340
An Introduction to COBOL	Introduction	341
to COBOL 339	9.1 An Overview of a COBOL Program The Four Divisions Advantages and Disadvantages of COBOL Reserved Words	341
	9.2 A Sample Program IDENTIFICATION DIVISION ENVIRONMENT DIVISION DATA DIVISION PROCEDURE DIVISION	343
	9.3 The WORKING-STORAGE SECTION Use in Creating Outputs The Editing of Output Data	357

хi

	9.4 Selected COBOL Features Line Counters Class Tests	365
	Summary	369
	Glossary	370
	Discussion Questions	372
	Summary Test	374
CHAPTER 10	Purpose of This Chapter	378
Mass Storage Files 377	Introduction	379
	10.1 Magnetic Tape Key-to-Tape System	379
	10.2 Magnetic Disk Types of Disk Devices Key-to-Disk System	387
	10.3 Other Mass Storage Devices Magnetic Drum The Data Cell Mass Cartridge Storage System Future Mass Storage	393
	10.4 Special Systems Software Utility Programs Sort and Merge Programs Program Packages	401
	10.5 Types of Storage Files Sequential File Direct Access File Indexed Sequential File	403
	10.6 Databases Purpose and Use Case Study	406
	Summary	412
	Glossary	413
	Discussion Questions	416
	Summary Test	416
CHAPTER 11	Purpose of This Chapter	420
Minicomputers, Microcomputers, and Other Computer Systems 419	Introduction	421
	11.1 The Concept of Minicomputers Minicomputers versus Larger Systems Classes of Minicomputers	421
	11.2 Minicomputer Systems CPU Storage Peripheral Devices Software	430
	11.3 Microcomputers	436

	Small-Scale Computer Systems Systems Medium Systems Large-Scale Computer Systems Supercomputer Systems	
	Summary	449
	Glossary	450
	Discussion Questions	451
	Summary Test	452
CHAPTER 12	Purpose of This Chapter	456
Information Processing Systems	Introduction	457
455	12.1 Data Communications Systems Online Batch Processing Offline Batch Processing Online Real-Time Processing Time-sharing	457
	12.2 Modes of Data Communications	463
	12.3 Handling Multiple Jobs Multiprogramming Multiprocessing	465
	12.4 Distributed Processing Distributed Processing System Distributed Data Entry System	469
	12.5 Management Information Systems (MIS)	473
	Summary	476
	Glossary	477
	Discussion Questions	479
	Summary Test	479
CHAPTER 13	Purpose of This Chapter	484
Systems Analysis and Design 483	Introduction	485
	13.1 Business Data Processing Systems What Is a Business System? Objectives of a Business System Five Business Systems	486
	13.2 Systems Analysis The Role of the Analyst Collection of Data	488
	13.3 Systems Documentation Record Formats Systems Flowcharts	492
	13.4 Feasibility Study The Feasibility Committee Objectives of the Study	495

13.5 Designing the Proposed System Outputs, Inputs, and Processing Testing and Implementation Final Documentation	503
Summary	506
Glossary	507
Discussion Questions	508
Summary Test	509
Purpose of This Chapter	514
Introduction	514
14.1 Components of Systems Documentation Analysis of the Existing System Problem Definition Design of the New System	515
14.2 Documentation of a Payroll System	521
Summary	560
Glossary	560
Discussion Questions	560
Summary Test	562
Appendix: Numbering Systems	564
Index	577

Preface

My initial exposure to computers occurred when I enrolled in an introductory computer course as an undergraduate at Pratt Institute. The first half of the course concentrated on the principles of the computer. I mastered this material with a minimum of difficulty because the instructor reinforced each concept with a variety of illustrative examples.

The second half of the semester course, which concentrated on the principles of programming, was taught by a graduate assistant who had recently discovered the power of the computer and had become enamored of this new technology. He passed his enthusiasm on to the class through his lectures and the large number of lab problems assigned for homework. He was a strong believer in the educational principle of "learn by doing." Though many lab problems were assigned, each stressed a particular programming concept that was of value to the student programmer. The result of this programming effort was quite positive. I soon became capable of independently programming problems and deriving my own solutions. My initial uncertainty related to programming had been replaced by an eagerness to apply these newly developed skills.

In the development of a personal philosophy to use in the classroom, I have frequently looked back at the lessons learned from that original computer class. Technical concepts must be explained in terms students can understand and immediately reinforced with illustrative examples. Also, students learn best by doing. When provided with sufficient illustrative examples, students can master a concept and complete related exercises on their own.

In writing this text, I have tried not to confuse the student with useless technical discussions. In addition, I have attempted to reinforce all discussions with illustrative examples. I believe that a good example provides a practical basis for a concept. All discussions are logically developed, permitting the student to follow along on a step-by-step basis.

Throughout the text, I have employed a conversational mode as the vehicle for all discussions. This format enables readers to easily follow along, yet does not talk down to them. Moreover, it avoids the highly technical or monotonous approach adapted by other texts. I have also tried to avoid extremes in the presentation of informative material. Anec-

dotal material, cartoons, and the like are kept to a minimum. Often, an overabundance of this type of material detracts from the continuity of the text, diverting attention from more critical material.

When writing this text, I had one thought in mind. I wanted the beginning computer student to be capable of reading the text and fully understanding the material presented. This desire evolved from a problem I have frequently encountered in the classroom. Too often, I have assigned readings to students, only to have them state that it was impossible for them to follow the material. This is especially true for discussions of flowcharting and introductions to programming, in which sufficient detail is required to master the subject matter. Many texts skim the surface of a topic, leaving the student with nothing concrete on which to base learning. I have provided the detail necessary to permit independent student development of material.

This approach has a positive benefit to the instructor as well. Freed of the necessity to cover virtually all aspects of a topic, the instructor can introduce new material for class discussion. This new material might enhance a discussion, motivate increased student participation, provide special projects, or introduce topics which are of particular importance to the individual instructor.

Organization

The overall organization of this text enables the reader to develop a fundamental knowledge of the computer prior to the discussions of programming and systems analysis and design. Each chapter is written as an independent unit, providing complete coverage of a topic within its content. Thus, if an instructor desires to cover a chapter out of sequence, the continuity of the presentation will not be adversely affected.

Classroom testing has proved the chapter organization used in this text to be effective. Chapters 1 to 5 present material consistent with most introductory data processing courses. The material covered provides students with principles fundamental to data processing, enabling them to begin programming. Chapter 6, Flowcharting, provides a strong foundation for the programming chapters that follow. The computer languages BASIC and COBOL are discussed in Chapters 8 and 9, respectively. Program solutions developed in these chapters are closely tied to the flowcharting problems discussed in Chapter 6. Instructors are also free to develop solutions they have specifically employed in the past.

The organization of the chapters affords the instructor flexibility. The instructor can use the first seven chapters to develop the concepts of data processing for half of the semester. The remainder of the semester can be devoted to programming applications. Another approach might provide a brief discussion of programming and the development of systems-related concepts in the last half of the semester. The instructor is free to choose the topics of coverage and can diversify the material presented.

The latter part of the text offers special discussions of minicomputers, microcomputers, and other types of computer systems; data communication systems, systems analysis, and design concepts; and a detailed example of a systems documentation package. The review of many of these topics can add much to the content of an introductory computer course and provide the student with a broader overview of the business data processing field.

Learning Objectives

Every chapter begins with a section entitled Purpose of this Chapter, which presents the student with an overview of the material and topics to be covered. This section provides a general feel for the chapter's content. The student can grasp the organization of the chapter and place topics of discussion in their proper perspective.

The purpose section also presents the learning objectives for the chapter. These briefly stated objectives offer the student a guide to the key areas of the chapter and the skills and concepts to be gained from reading it. The learning objectives are also of value when a review of the chapter is anticipated, prior to a test.

Key terms used throughout the chapter are also listed in the learning objectives. The terms are commonly used in data processing and represent an operational vocabulary vital to the current or future user of computer services. All the terms are defined in the text of the chapter and appear in a glossary at the chapter's end.

Readability

A concerted effort has been made to keep the reading level of this text from becoming overly technical, monotonous, or unduly complicated. Standardized reading tests applied to the text indicate that the average high school graduate should not have difficulty in comprehending the material presented. I have blended this reading level into a conversational mode of presentation. It is my belief that the conversational approach greatly assists the learning process and is uniquely suited to today's student. It does not belittle the student, but rather guides the reader through the required material on a step-by-step basis in an easily comprehensible manner.

Summary

A point-by-point summary of all material covered appears at the end of the chapter. The summary details the major topics discussed in the chapter, capsulizing each point in a few sentences. The summary is organized to follow the presentation of material in the chapter, reinforcing the order of topic coverage. Students will find this type of summary particularly advantageous when reviewing for a test.

Glossary

An introductory text requires clear definitions of all terms used in its discussion. The chapter glossaries list, in alphabetical order, all key terms

introduced in the chapter. The page on which each term is defined appears in boldface type in the index of the book for easy referencing to its appropriate chapter.

End-of-Chapter Tests

The discussion questions and summary tests at the end of each chapter enable the reader to test his or her mastery of the material covered in the chapter. The student is advised to complete the summary test before preceding on to the next topic of discussion. The summary test can also be used in preparation for an exam. The topics related to questions that have been answered incorrectly can be reviewed before the test. Summary test answers appear at the end of each chapter.

Special-Interest Items

Students like to study material that is current and related to real-life situations. In an effort to meet this requirement, items of special interest have been included in each chapter. These items are drawn from a variety of sources and relate directly to the materials covered in the chapter. In some cases, these special items note the widespread applicability of the computer and some of its more appealing uses. In the chapters related to programming, the special items highlight programming considerations affecting the student. These items point out commonly made student errors, ways to avoid specific mistakes, and tips to help simplify programming assignments. Each special item is intended to enhance the presentation of the material and complement the chapter's coverage of a topic.

In general, I have tried to write a text that is easy to read, is informative, and assists in the development of selected data processing skills. I have attempted to include material which is relevant to the study of computers, without becoming overly technical. I believe that this text provides students with a working knowledge of computer-related data processing skills that can be used in subsequent computer courses or in the performance of their jobs. I would like students to think of this text as a reference that they can turn to when faced with a data-processing-oriented question or task. I have tried to make this text, as well as the learning of data processing skills, an enjoyable experience.

Additional Materials **Study Guide**

For some students, lectures and repeated readings of the text are not sufficient. The material under discussion must be reinforced through additional review and self-testing. For these students, the Study Guide has been written. In this separate guide, the contents of each chapter receives special treatment. The student is provided with a restatement of the chapter's learning objectives, a brief summary of the material covered, 10 multiple-choice questions, 15 true-false questions, and approximately 30 self-study questions. This array of questions offers students sufficient opportunity to test themselves on their mastery of the chapter.

Preface

xviii