
MANAGEMENT DECISION MAKING

Overview

Making critical decisions that provide the right direction and a winning position in today's business world is essential to good management. Business executives must make high-quality, nearly instantaneous decisions all the time. The ability to make the right decisions concerning vision, growth, resources, strengths, and weaknesses leads to a successful business. It is management's responsibility to manage for today and tomorrow, to manage for optimum efficiency, and to manage to compete in the marketplace.

This is a team event composed of two or three members. This event consists of two parts: an objective test and a performance. The objective test is taken collaboratively by the team members, and the top ten (10) teams scoring the highest on the objective test will advance to the final round and participate in the performance component.

Competencies **and** Task Lists

<http://www.fbla-Pbl.org/docs/ct/FBLA/MANAGEMENTDECISIONMAKING.Pdf>

Web Site Resources

- Management
<http://www.Quickmba.com/mgmt/>

MANAGEMENT DECISION MAKING SAMPLE QUESTIONS

1. Which one of the following utilizes technologies to convert inputs into outputs?
 - a. transformation processes
 - b. motivation techniques
 - c. performance reviews
 - d. employee reward systems
2. Jack receives unsolicited merchandise in the mail. What must he do?
 - a. return the merchandise within thirty days to avoid payment.
 - b. return the merchandise within fifteen days to avoid payment.
 - c. keep the merchandise without any obligation to the sender.
 - d. return the merchandise within five days to avoid payment.
3. This contains the verbal symbols and nonverbal cues representing the information that the sender wants to convey to the receiver.
 - a. richness
 - b. message
 - c. channel
 - d. grapevine
4. The major courses of action that an organization takes to achieve its goals are called:
 - a. competencies
 - b. strategic plans
 - c. strategies
 - d. initiatives
5. Diversified enterprises operating unrelated businesses most often use this strategy.
 - a. horizontal integration
 - b. alliance
 - c. concentric diversification
 - d. conglomerate diversification

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6. It prescribes general rules of acceptable behavior that is intended to be impartial.
 - a. social norms
 - b. values
 - c. moral principles
 - d. ethics
 7. This principle complements the moral rights approach.
 - a. justice
 - b. fairness
 - c. natural duty
 - d. distributive
 8. What is the allocation of the cost of fixed assets called?
 - a. salvage value
 - b. matching revenues and expenses
 - c. depreciation
 - d. fixed cost allocation
 9. Carol is a partner in Delta Accounting Service. Carol can inspect:
 - a. all of Delta's books and records
 - b. Delta's books and records only as the firm's management permits
 - c. Delta's books and records relating to her capital contribution only
 - d. Delta's books and records only for a reasonable purpose
 10. This is the transfer and exchange of information and understanding from one person to another through meaningful symbols:
 - a. technology
 - b. language
 - c. encoding
 - d. communication
 11. The obligation of organization management to make decisions and take actions that will enhance the welfare and interests of society as well as the organization is referred to as:
 - a. discretionary responsibility
 - b. economic responsibility
 - c. organizational responsibility
 - d. social responsibility
 12. The deliberate process through which someone becomes aware of personal skills, interests, knowledge, motivations, and other characteristics; and establishes action plans to attain specific goals is:
 - a. career planning
 - b. career development
 - c. job rotation
 - d. career management
 13. A plan in which employees work the same number of hours a day but may start and finish their work days at different times is:
 - a. job sharing
 - b. employee assistance
 - c. illegal
 - d. flextime

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14. The type of human resources approach that uses the best available managers without regard for their countries of origin is the:
- regiocentric approach
 - ethnocentric approach
 - geocentric approach
 - polycentric approach
15. The four zones in business communication are intimate, personal, social, and public. Which zone lacks the most personal interaction between participants?
- public
 - social
 - intimate
 - personal
16. The actions of a private or civil wrongdoing where action can be taken to receive damages is called:
- tort law
 - criminal law
 - civil law
 - negligence
17. By obtaining a _____ an individual has the ability to earn more money throughout the duration of his/her life.
- certification
 - professional license
 - skilled trade
 - college degree
18. A (n) _____ can determine what types of jobs a person may be qualified for or best utilized in.
- aptitude test
 - altitude test
 - skills assessment
 - conceptual test
19. The Food and Drug Administration markets products that have no chemicals or pesticides as:
- natural
 - healthy
 - organic
 - chemical-free
20. An evaluation of a company's progress towards having programming that is socially responsible and responsive is referred to as:
- environmental audit
 - social audit
 - environmental testing
 - diversity test
21. Jill invests in a franchise with Kandy Shops Corporation. With respect to a franchise, a franchisee may have legal protection under:
- federal law only
 - state law only
 - laws of city hall
 - federal and state law

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22. The decision by the CSX to downsize and reduce its labor force is in the:
- a. social responsibility
 - b. domain of ethics
 - c. domain of free choice
 - d. domain of codified law
23. This is a system for arranging everything around you in such a way that your environment works for you and with you.
- a. feng shui
 - b. backtranslation
 - c. proxemics
 - d. internal networking
24. An agreement that is legally binding and enforceable between two or more parties is a:
- a. consolidation
 - b. patent
 - c. consideration
 - d. contract
25. The point at which a person gives up one's work, usually between the ages of 60 to 65.
- a. career anchors
 - b. decline stage
 - c. growth stage
 - d. retirement
26. When members of the nonprotected class feel that they are rejected due to affirmative action laws and quotas they experience a feeling of:
- a. discrimination
 - b. reverse discrimination
 - c. unlawful hiring practices
 - d. conditional provisions
27. Which one of these includes all elements existing outside the boundary of the organization that has the potential to affect the organization?
- a. task environment
 - b. organizational environment
 - c. general environment
 - d. internal environment
28. Validity refers to the:
- a. amount of error in a test
 - b. importance of a test
 - c. relationship between a score on a selection test and subsequent job performance
 - d. relevance of a test
29. Which one of these is a disadvantage of high channel richness?
- a. one-way
 - b. impersonal
 - c. slow feedback
 - d. spontaneous
30. A blueprint specifying the resource allocations schedules, and other actions necessary for attaining goals is referred to as a:
- a. mission
 - b. vision
 - c. plan
 - d. goal

MANAGEMENT DECISION MAKING SAMPLE CASE STUDY

PARTICIPANT INSTRUCTIONS

1. You have 20 minutes to review the case and may use the two note cards that were provided. Note cards will be collected following the presentation.
2. This is a sequestered event.
3. The team has seven (7) minutes to interact with a panel of judges and present the solution to the judges.

CASE STUDY SITUATION

Lambert Manufacturing, Inc. is a second-generation custom manufacturing house. It opened its doors in 1945 and has enjoyed a steady business every year. Last year was an exceptional year for the company. They had banner sales and profit because of some very large orders with double the traditional profit. The outlook for this year in current orders and future blanket purchase orders is strong.

The bump in profit last year has left the company in a position of having \$800,000 (\$800K) of net profit to reinvest into the company. They have called you in, as an executive management advisory team, to help them decide where and how to spend the money.

Through interviews that you have conducted with some of the staff (20 out of the 85 employees, all levels represented), you have compiled a list of 10 suggestions. They are shown on the following page:

Suggestion	Estimated Cost
Two pieces of equipment are getting old (15+ years)	\$550K for both machines
Employees are doing overtime (OT) on a regular basis - consider five (5) Full-Time Employees (FTE)	\$200K per year
Customer Relations, Accounting, and Engineering software packages are outdated and need to be upgraded	\$45K = software \$55K = implementation
Redesign the production / manufacturing lines to improve workflow and throughput	\$125K
Employees' raises have been low over the last three years. Give employees a one-time bonus to show appreciation. Prorated, if necessary.	85 employees x \$2K = \$170K
Bump employees' salaries	\$5K per person, over the year = \$425K total
Give senior management a bonus to show appreciation for solid leadership and performance achievement	7 people x \$10K = \$70K
Renovate office area and building landscape to create a more welcoming work environment	\$150K
Improve the health benefits package for employees by lowering the health care cost that each employee pays	\$2K savings per year, per person = \$170K
Bring in a process improvement consultant for 12 months to do a company-wide cost reduction, improvement plan for the next five years	\$75K

As a management advisory team, you should weigh the pros and cons of your proposal and present your analysis to the management team (judges). Keep in mind that each member of the management team may have specific interests in certain suggestions.

If you do not like the suggestions above, what others can you offer? Give rationale for your new suggestion(s).

After introductions, you should begin providing feedback and information to the management team (judges) as to how you recommend they invest the company profit.

Each member of your presentation team should provide some feedback and information to the management team (judges).

Management Decision Making Answer Key

1) A	11) D	21) D
2) C	12) A	22) C
3) B	13) D	23) A
4) C	14) C	24) D
5) D	15) A	25) D
6) D	16) A	26) B
7) C	17) D	27) B
8) C	18) C	28) C
9) A	19) C	29) D
10) D	20) B	30) C

Management Information Systems Answer Key

1) B	11) A	21) A
2) B	12) C	22) A
3) C	13) B	23) D
4) D	14) B	24) B
5) B	15) B	25) D
6) C	16) C	26) A
7) C	17) B	27) A
8) D	18) D	28) D
9) B	19) A	29) B
10) D	20) D	30) D

Marketing Answer Key

1) A	11) B	21) B
2) A	12) B	22) C
3) B	13) C	23) B
4) A	14) D	24) C
5) B	15) C	25) B
6) C	16) B	26) C
7) B	17) B	27) B
8) D	18) D	28) B
9) B	19) B	29) A
10) A	20) A	30) C

Network Design Answer Key

1) D	11) D	21) A
2) A	12) B	22) B
3) C	13) A	23) B
4) C	14) B	24) A
5) A	15) A	25) D
6) B	16) B	26) C
7) C	17) D	27) B
8) B	18) B	28) B
9) D	19) C	29) B
10) D	20) D	30) C

Networking Concepts Answer Key

1) A	11) A	21) D
2) C	12) C	22) D
3) B	13) A	23) B
4) C	14) D	24) C
5) B	15) A	25) C
6) D	16) C	26) B
7) A	17) B	27) B
8) D	18) D	28) C
9) C	19) D	29) A
10) A	20) B	30) D