
INTRODUCTION TO BUSINESS

Overview

This event provides recognition for FBLA members who demonstrate an understanding of the American business enterprise system and its effect on consumers, employees, and entrepreneurs.

This is an individual objective test and is only for grades 9 and 10.

Competencies and Task Lists

<http://www.fbla-pbl.org/docs/ct/FBLA/INTRODUCTIONTOBUSINESS.pdf>

Website Resources

- 24 Concepts Every Young Person Should Know About Business
http://www.huffingtonpost.com/steve-mariotti/24-concepts-every-young-p_b_871767.html
- 27 Basic Business Terms
<http://juniorbiz.com/27-basic-business-terms>
- Introduction to Business
<http://glencoe.mcgraw-hill.com/sites/0078747686/>

INTRODUCTION TO BUSINESS SAMPLE QUESTIONS

1. The ____ is a name given to a product or service to distinguish it from other similar and competitive items.
 - a. brand
 - b. patent
 - c. logo
 - d. copyright

Competency: Consumerism

2. Comparison shoppers do **not** usually evaluate:
 - a. services
 - b. price
 - c. quality
 - d. endorsements by celebrities

Competency: Consumerism

3. When an item is **not** received or returned and the item is billed to the customer's credit card, the customer has ____ to dispute it.
 - a. 60 days
 - b. 90 days
 - c. 120 days
 - d. 30 days

Competency: Consumerism

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4. The warranty imposed by law and understood to apply even though it has **not** been stated is the:
- implied warranty
 - statutory warranty
 - express warranty
 - guaranteed warranty

Competency: Consumerism

5. What happens each time a person makes a car payment?
- the net income increases
 - the net worth is increased
 - the liabilities decrease
 - the disposable income increases

Competency: Money Management, Banking, and Investments

6. ____ represent an example of a variable expense.
- Groceries
 - Mortgage payments
 - Rent payments
 - Insurance premiums

Competency: Money Management, Banking, and Investments

7. Since Linda writes many checks each month, the ____ checking account is probably the best choice for her.
- regular
 - special
 - interest-earning
 - activity

Competency: Money Management, Banking, and Investments

8. The ____ is a type of money order typically issued by travel agencies, supermarkets, pharmacies, and convenience stores.
- cashier's check
 - express money order
 - postal money order
 - bank money order

Competency: Money Management, Banking, and Investments

9. When a company has a code of ethics:
- it should stress forbidden actions rather than acceptable behavior
 - employees will always know how to behave under different circumstances
 - employees are frequently unaware of rules for using the computer at work
 - it will more easily be able to identify proper employee behavior

Competency: Rights and Responsibilities of Employees, Managers, Owners, and Government

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10. Police and fire protection are usually provided by ____ in the United States.
- federal government
 - state government
 - corporations
 - local government

Competency: Rights and Responsibilities of Employees, Managers, Owners, and Government

11. ____ is **not** a utility company.
- The gas company
 - A gas station
 - A telephone company
 - The electric company

Competency: Rights and Responsibilities of Employees, Managers, Owners, and Government

12. Which one of the following represents a strategy of how the U.S. government gets involved in business activities?
- it tells businesses what they should produce and what they can charge their customers
 - it owns the most factors of production
 - it tells people what jobs they will pursue
 - it attempts to prevent unfair business practices

Competency: Rights and Responsibilities of Employees, Managers, Owners, and Government

13. An important first step in the career planning process is:
- personal assessment
 - employment market analysis
 - career development
 - application process

Competency: Career Awareness

14. What is the recommended length of a résumé?
- one to two pages
 - the length necessary to include all pertinent information
 - three pages
 - no more than one page

Competency: Career Awareness

15. A mentor is a(n):
- peer working in the same industry
 - supervisor
 - experienced worker in an individual's field of interest
 - top executive in the company

Competency: Career Awareness

16. What is the type of insurance that protects a car owner against financial loss resulting from a wreck or rollover called?

- a. collision coverage
- b. uninsured motorist coverage
- c. liability coverage
- d. deductible coverage

Competency: Insurance

17. Bodily injury liability auto insurance does **not** cover:

- a. pedestrians
- b. the policyholder
- c. passengers riding with the policyholder
- d. people in the other cars

Competency: Insurance

18. ____ is **not** a type of permanent life insurance.

- a. Whole life insurance
- b. Universal life insurance
- c. Variable life insurance
- d. Term life insurance

Competency: Insurance

19. ____ is a type of health insurance that provides protection against the high costs of serious illnesses or injuries.

- a. Major medical insurance
- b. Hospital insurance
- c. Regular medical insurance
- d. Surgical insurance

Competency: Insurance

20. What does property tax revenue **not** pay?

- a. community parks
- b. police protection
- c. schools
- d. Medicare and Medicaid

Competency: Economic Systems

21. Government in the market economy is **not** concerned with:

- a. providing services for members of society
- b. regulating utilities and promoting competition
- c. providing information to businesses
- d. taking over private industries

Competency: Insurance

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22. The government of a particular country owns and controls all economic resources and decides how those resources will be used. This is an example of a:
- a. market economy
 - b. traditional economy
 - c. laissez-faire economy
 - d. command economy

Competency: Insurance

23. Which one of the following is **not** one of the major principles of the U.S. economic system?
- a. profit
 - b. freedom of choice
 - c. private property
 - d. tradition

Competency: Insurance

24. ____ is **not** an ethical violation by employees.
- a. Overtime
 - b. Wasted time at work
 - c. Employee theft
 - d. Using the workplace computer for personal email

Competency: Ethics

25. The ____ is someone hired to solve specific problems.
- a. evaluator
 - b. supervisor
 - c. trouble-shooter
 - d. whistle blower

Competency: Ethics

26. What is the Egoism principle?
- a. involves personal action for the good of the team
 - b. involves actions that serves the person's long-term interests
 - c. trades individual well-being for team well-being
 - d. considers the feelings of others

Competency: Ethics

27. The making, buying, and selling of goods and services within a country is called:
- a. international business
 - b. export business
 - c. world trade global dependency
 - d. domestic business

Competency: Global (International) Business

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28. ____ has an absolute advantage in coffee production.
- a. Canada
 - b. The United States
 - c. Brazil
 - d. Ireland

Competency: Global (International) Business

29. The difference between a country's total exports and total imports is called the:
- a. foreign debt
 - b. balance of trade
 - c. trade surplus
 - d. trade deficit

Competency: Global (International) Business

30. A tax that a government places on certain imported products is called a(n):
- a. excise tax
 - b. tariff
 - c. embargo
 - d. quota

Competency: Global (International) Business

Help Desk Answer Key

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

Hospitality Management Answer Key

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

Insurance & Risk Management Answer Key

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

Introduction to Business Answer Key

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