**Intro to Business - 2016 SLC**

1)  \_\_\_\_ tests electrical components of products from all over the world for fire and electrical safety.

A) U.S. Product Safety Commission

B) Underwriters Laboratories

C) The Association of Home Appliance Manufacturers

D) Consumers Union

2)  \_\_\_\_ is **not** a business source of consumer information.

A) Product label

B) Customer service department

C) The Environmental Protection Agency

D) Advertising

3)  \_\_\_ is the publication that would probably be the best source for information about how to invest money.

A) *Consumer Reports*

B) *Forbes*

C) *Newsweek*

D) *Time*

4)  Which one of the following situations represents fraud?

A) A salesperson tells you a particular cell phone is "the best".

B) A salesperson tells you that a dishwasher will wash a load in around 45 minutes.

C) A salesperson tells you that a car has new brakes when it really has used brakes.

D) A salesperson tells you that a certain air conditioning unit is "a smart purchase".

5)  \_\_\_ is **not** one of the Consumer Bill of Rights.

A) The right to low prices

B) The right to be heard

C) The right to safety

D) The right to be informed

6)  Why are generic products normally less expensive than other items?

A) They are heavily advertised throughout the country.

B) They are sold in almost every community.

C) Consumers expect uniform quality in generic products.

D) They do not require advertising and fancy packaging.

7)  The \_\_\_\_ is a name given to a product or service to distinguish it from other similar and competitive items.

A) brand

B) patent

C) copyright

D) logo

8)  \_\_\_\_ are often used when a new store opens or when new products are introduced.

A) Clearance sales

B) End-of-year sales

C) Promotional sales

D) Seasonal sales

9)  The \_\_\_\_ makes sure that medicine and cosmetic products are **not** harmful to consumers.

A) Food and Drug Administration

B) Better Business Bureau

C) Consumer Product Safety Commission

D) U.S. Department of Agriculture

10)  Due to an error in the pricing bar code, everyone who bought a pair of running shoes at a nationwide athletic store last month was overcharged by five dollars . The legal action that would be the most appropriate in this case would be:

A) a class action lawsuit

B) negotiation

C) mediation

D) arbitration

11)  The most important responsibility for consumers is to be:

A) politically informed

B) informed

C) honest

D) alert

12)  What is a guarantee?

A) is required by law

B) an assurance in writing

C) must apply to an entire item, not just certain parts

D) covers damages caused by consumer misuse

13)  Which one of the following lists the steps in the consumer complaint process in the correct order?

A) threaten legal action; contact the place of purchase; involve a consumer agency; take legal action

B) contact the company headquarters; involve a consumer agency; take legal action

C) involve a consumer agency; contact the place of purchase; the contact the company headquarters; take legal action

D) contact the place of purchase; contact the company headquarters; involve a consumer agency; take legal action

14)  The dollar limit for cases heard in small claims courts ranges from less than \_\_\_ in some states to \_\_\_\_ in others.

A) $10,000; $100,000

B) $1,000;$10,000

C) $100; $1,000

D) $500; $5,000

15)  \_\_\_ laws protect consumers from unreasonably high interest rates.

A) Regulatory

B) Consumer Protection

C) FDIC

D) Usury

16)  \_\_\_\_\_ of U.S businesses employ more than 100 workers.

A) Less than 50 percent

B) Less than 20 percent

C) Less than 1 percent

D) Less than 5 percent

17)  Over the next decade the \_\_\_\_\_ category will decline in employment growth rates in the United States.1

A) Asian-American workers

B) African-American workers

C) Hispanic-American workers

D) white non-Hispanic workers

18)  Every business performs all of the following activities **except:**

A) maintaining business records

B) buying goods and services

C) inventing new ideas

D) raising capital

19)  Which business is **not** a producer?

A) grain farmer

B) coal mine

C) travel agency

D) automobile factory

20)  The \_\_\_\_\_ category is the fastest growing in the United States economy.

A) producer

B) manufacturer

C) service business

D) intermediary

21)  What are sole proprietorships?

A) account for the largest percentage of business revenues in the United States

B) the easiest form of business to start

C) owned and managed by two or more people

D) allow the owner to have limited liability

22)  \_\_\_\_ would typically **not** be specified in a partnership agreement.

A) The amount of investment of each partner

B) The number of hours per week the business will operate

C) The level of authority each partner has

D) The business name

23)  The \_\_\_\_ is the individual operating a franchise like McDonalds or Jiffy Lube.

A) franchisor

B) partner

C) franchisee

D) manager

24)  Employees at a local Sunflower Corporation are frequently confused about their assignments, and many employees are unclear about who exactly they report to. Sunflower Corporation does **not** seem to provide an adequate:

A) span of control

B) matrix structure

C) unity of command

D) mission statement

25)  Charlie oversees 30 people at the Gallup Organization. The 30 people represent Charlie's:

A) accountability

B) authority.

C) span of control

D) mission

26)  The \_\_\_ is a written contract granting permission to operate a business to sell products and services in a set way.

A) license

B) franchise

C) cooperative agreement

D) partnership agreement

27)  A precise statement of results a business expects to achieve is a:

A) goal

B) policy

C) standard

D) mission statement

28)  Giving responsibilities to other employees, while remaining responsible for the results is called:

A) outsourcing

B) assigning

C) delegating

D) negotiating

29)  After the warehouse receives a shipment the warehouse supervisor and clerk must check the shipping invoice and goods to verify that all items have been delivered as required. The actions of the warehouse supervisor and clerk are an example of a:

A) goal

B) mission

C) policy

D) procedure

30)  The \_\_\_ form of business ends when one of the owners dies.

A) sole proprietorship

B) corporation

C) franchise

D) partnership

31)  What is a budget?

A) prohibits individuals from using credit

B) should emphasize putting 50 percent of income into savings

C) helps individuals plan for financial emergencies

D) allows individuals to purchase everything they want

32)  \_\_\_\_ is an example of a short-term financial goal.

A) Purchasing a new cell phone

B) Going to college

C) Buying a new sports car

D) Going on an Alaskan cruise

33)  A \_\_\_ occurs when actual spending is greater than planned spending.

A) liability

B) deficit

C) peak

D) surplus

34)  A successful budget should:

A) not ever show variances

B) not need to be re-evaluated once it is in place

C) be flexible

D) reflect future income

35)  \_\_\_ is the part of Social Security that provides death benefits to dependents of workers who die.

A) Survivors insurance

B) Retirement insurance

C) Disability insurance

D) Unemployment insurance

36)  Employees will receive a \_\_\_ form from the employer by January 31. This form will be used to calculate personal income taxes.

A) 1040

B) 1040EZ

C) W-2

D) W-4

37)  Alexander is shopping for a new bank. His biggest concern is finding a bank that offers 24-hour banking services. What is this concern?

A) safety

B) fees

C) restrictions

D) convenience

38)  The \_\_\_ is a personal check for which a bank has guaranteed payment.

A) traveler's check

B) money order

C) cashier's check

D) certified check

39)  Endorsing a check "for deposit only" above a signature is an example of a:

A) blank endorsement

B) full endorsement

C) special endorsement

D) restrictive endorsement

40)  The most uncertain aspect of the budgeting process involves:

A) determining net worth

B) setting financial goals

C) determining disposable income

D) estimating variable expenses

41)  To stimulate the economy during a recession, the Fed would

A) increase the discount rate.

B) sell government securities.

C) reduce the reserve requirements.

D) cut taxes.

42)  Into how many Federal Reserve districts is the United States divided?

A) 14

B) 10

C) 16

D) 12

43)  What does debt-to-equity measure?

A) the difference between your equity and your liabilities

B) the difference between your assets and liabilities

C) the relationship between the dollars you have borrowed and the dollars you have invested in your business

D) the relationship between your start-up costs and your net worth

44)  Which one of the following would a business probably **not** finance by a term loan?

A) real estate

B) increasing inventory

C) business expansion

D) equipment

45)  Which of the following are characteristics of good money managers?

A) They live within their income, save for the future, and use credit for all major purchases.

B) They set goals, save for the future, and practice impulse buying.

C) They purchase wisely, practice impulsive buying, and use credit for basic needs.

D) They set goals, pay bills on time, and save for the future.

46)  Long-term financial goals:

A) are not related to short-term goals

B) involve saving over many years

C) require the assistance of a financial planner

D) take one year or less to accomplish.

47)  A budget is an example of a

A) short-range plan.

B) nonrecurring procedure.

C) strategic plan.

D) policy.

48)  Which one of the following would probably be a short-term financial goal?

A) going on a two-week cruise

B) going to college

C) purchasing a new suit

D) buying a new luxury automobile

49)  A checking account can be described as a(n):

A) demand deposit

B) interest deposit

C) transfer deposit

D) time deposit

50)  The \_\_\_\_\_\_ endorsement limits the use of the check to the purpose given in the endorsement.

A) restrictive

B) full

C) bland

D) special

51)  Valid, enforceable contracts must include consideration. How is consideration defined?

A) The requirement that the contract must be for a product or service that may be legally sold.

B) The requirement that those entering into the contract must be of legal age and mentally competent.

C) Wording that is acceptable to both parties involved with the contract.

D) Something of measurable value that must be exchanged by the parties involved.

52)  Which is **not** a valid question when considering the ethics of a business situation?

A) Who is affected by the action?

B) Does the action violate professional standards?

C) Can I get away with this action?

D) Is the action legal?

53)  Self-insurance means

A) owning an insurance company.

B) saving money to cover possible future losses.

C) having coverage on the owner of a business.

D) owning stock in an insurance company.

54)  A major purpose of employee orientation programs is to

A) test new employees to determine where they should be assigned.

B) introduce new employees to the organization, their fellow employees, and their immediate supervisors.

C) help workers who have been laid off find new jobs.

D) give experienced employees a chance to learn new skills.

55)  Which one of the following is a way the United States government gets involved in business activities?

A) It tells all businesses what they should produce and what they can charge their customers.

B) It orders certain people to take specific jobs.

C) It owns almost all of the factors of production.

D) It attempts to prevent unfair business practices

56)  \_\_\_\_\_\_\_\_\_is the continuing process by which an employee begins to understand and accept the values, norms, and beliefs held by others in the organization.

A) Motorization

B) Evolution

C) Socialization

D) Randomization

57)  Over the past several decades the percentage of females in the labor force has

A) fallen slightly.

B) increased significantly.

C) risen slightly.

D) remained remarkably stable.

58)  Diversity does **not** involve differences in:

A) ethnicity

B) lifestyle

C) race

D) degree earned

59)  What is the term for advertising a low-priced item to lure customers into the store and then pressuring them into buying a higher priced item?

A) bait and switch

B) unfair selling tactics

C) false advertising

D) boycotting

60)  An employer usually pays taxes that do **not** affect the employee's pay such as unemployment taxes to compensate workers who lose their job. These taxes are known as:

A) FUTA and SUTA

B) social security

C) FICA and SICA

D) FDIC

61)  Following the interview, when should the job applicant send a thank you letter to the interviewing employer?

A) within one day

B) within a week

C) within five business days

D) within two weeks

62)  Which of the following is not a feasible way to evaluate applicants for a position?

A) Conduct an interview.

B) Have them fill out an application form.

C) Check references.

D) Hire a private investigator to follow the applicant.

63)  Begin your career development journey by completing one or more \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to gather information about yourself to assist you in your decision-making process.

A) self-assessments

B) enrichments

C) enhancements

D) self-beliefs

64)  The sector of the U.S. workforce with the largest projected growth is the

A) service industry.

B) manufacturing industry.

C) engineering industry.

D) farming industry.

65)  When planning an international career, which of the following would be your least helpful source of information?

A) International Court of Justice

B) World Trade Center Association

C) Department of State

D) Foreign embassies

66)  The \_\_\_\_\_\_\_\_\_\_\_\_\_ that accompanies a resume should show why you are the right person for the job.

A) reference letter

B) cover letter

C) thank you letter

D) credit letter

67)  When posting your resume online or sending it by e-mail:

A) underline or italicize important points

B) write in all caps

C) be sure to attach several files that prove the information in the resume is accurate

D) use a very simple format

68)  The owner of a small motorcycle garage uses an application form in evaluating applicants. This is useful in discovering

A) religious orientation.

B) arrest records.

C) physical disabilities.

D) general background information.

69)  Which of the activities listed below cannot be evaluated during an online interview?

A) preliminary interview responses

B) quality of facial expressions

C) testing a person's abilities

D) scanning for key words

70)  Which one of the following questions should **not**be asked in an informational interview?

A) Describe a typical work day.

B) What are the trends in your field?

C) Will you send my resume to human resources?

D) How do you deal with stress on the job?

71)  Business interruption insurance covers

A) debts to suppliers.

B) lost income.

C) shoplifting.

D) defective products.

72)  A pure risk:

A) is uncontrollable

B) offers no opportunity for gain

C) is speculative

D) is uninsurable

73)  Two desirable features of \_\_\_\_\_\_\_\_\_\_\_\_\_ are that members do not receive bills and do not have to fill out claim forms.

A) health care accommodation companies (HCACs)

B) health maintenance organizations (HMOs)

C) traditional health insurance organizations

D) preferred provider organizations (PPOs)

74)  Insurance companies know that autos decrease in value with age usually. The value of a particular car is published for car dealers and insurance companies. This is called the book value and if the damages exceed this value in an accident, the insurance company will only pay the book value. When this happens, the car is said to be \_\_\_\_\_\_\_\_\_ by the insurance company.

A) repaired

B) compensated

C) totaled

D) claimed

75)  Firestone and Ford recalled thousands of tires when several people died in traffic accidents blamed on faulty tires. This is an example of which of the following?

A) Reducing the risk

B) Avoiding the risk

C) Self-insuring against the risk

D) A loss-prevention program

76)  What is the tax called on goods and services that is collected by the seller and is imposed by the state or local government?

A) excise tax

B) sales tax

C) property tax

D) income tax

77)  What is considered the largest source of revenue for the federal government?

A) estate and inheritance tax

B) excise tax

C) corporate income tax

D) individual income tax

78)  The \_\_\_ would protect a musician's latest musical hit.

A) patent

B) copyright

C) contract

D) trademark

79)  Social responsibility for a business does **no**t include:

A) protecting the environment

B) diversity in the workplace

C) safety on the job

D) making a large profit to share with employees

80)  The rivalry among businesses to sell their goods and services is known as:

A) competition

B) free enterprise

C) capitalism

D) entrepreneurship

81)  Which one of the following is an example of the "opportunity cost" concept?

A) Sally deciding to join the basketball team instead of babysitting after school

B) Sean deciding to apply to Yale University

C) Stevesn and Molly working at McDonald's last summer

D) Seth earning 3 percent on his money market account last month

82)  When the market price of a good is below the equilibrium price:

A) a surplus will exist in the market

B) the quantity demanded will exceed the quantity supplied

C) the government will regulate the price of the good to ensure equilibrium is attained

D) the supply curve will be to the right of the demand curve

83)  Jerome lives in a capitalist country. He owns his own home, car, business and building. Jerome is able to maintain ownership of these items under the right to:

A) freedom of choice

B) eminent domain

C) freedom of competition

D) private property

84)  To be successful in today's markets, business must

A) spend more money on marketing and less on production.

B) delight customers with a quality product at a good price and outstanding service.

C) focus their resources on achieving the goal of zero defects.

D) provide the greatest variety of products to consumers.

85)  This term is used to describe one firm selling all or practically all of a product to the public.

A) enterprise

B) monopoly

C) competition

D) market

86)  Which of the following is an economic system in which the method for determining what, how, and for whom goods and services are produced is decided by a central authority?

A) Privatized economy

B) Command economy

C) Market economy

D) Mixed economy

87)  Being able to do something using fewer resources than other producers require would give you a(n):

A) disadvantage

B) comparative advantage

C) monopoly

D) absolute advantage

88)  The only direct channel of distribution is

A) producer to consumer.

B) producer to wholesaler to retailer to consumer.

C) producer to retailer to consumer.

D) retailer to consumer.

89)  General Motors buys steel because consumers buy cars. If consumer demand for cars drops, so will General Motors' demand for steel. This is an example of the relationships found in

A) derived demand.

B) cyclical demand.

C) kinked demand.

D) inelastic demand.

90)  Which one of the following is the largest producer of goods and services in the world?

A) Russia

B) United States

C) China

D) Japan

91)  Which of the following is the most important step to help improve business ethics in America?

A) middle management support

B) enforcement

C) Identification of the organizational ethics coach

D) training

92)  The legal right of someone, usually the author or artist, to use or reproduce a work is called:

A) trademark

B) plagiarism

C) ethics

D) copyright

93)  A \_\_\_\_\_\_\_\_\_\_ group consists of a small group of people who meet under the direction of a discussion leader to discuss their opinions about an organization, its products, or other issues.

A) prototype

B) consumer interest

C) focus

D) concept

94)  The name of a popular soft drink is protected by a:

A) patent

B) copyright

C) trademark

D) royalty

95)  If a company has a code of ethics:

A) employees will always know how to behave under all circumstances

B) the company will more easily be able to identify proper employee behavior

C) it should be worded in such a way as to stress forbidden actions rather than acceptable behavior

D) they will stifle creativity

96)  Business activities that occur within one country are called:

A) international business

B) foreign trade

C) domestic business

D) free trade

97)  Which of the following terms describes the set of values, beliefs, rules, language, and institutions held by a specific group of people?

A) ethnocentricity

B) culture

C) institutional society

D) social myopia

98)  Patty's Products has a manufacturing plant near Portland. The plant specializes in compact washers and dryers for countries in which consumers have less living space. Patty's Products participates in the global market through:

A) dumping

B) importing

C) exporting

D) balancing trade

99)  Which one of the statements is  true about international business and individual citizens?

A) Individual shopping habits have no effect on international business.

B) Individual decisions may affect people in other parts of the world.

C) International competition usually results in fewer product choices for individuals.

D) International business usually decreases career opportunities.

100)  The \_\_\_\_ promotes trade around the world by encouraging lower tariffs and elimination of import quotas.

A) IMF

B) WB

C) UN

D) WTO

2016 SLC Intro to Business Key

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| 1) | B |
| 2) | C |
| 3) | B |
| 4) | C |
| 5) | A |
| 6) | D |
| 7) | A |
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| 9) | A |
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| 94) | C |
| 95) | B |
| 96) | C |
| 97) | B |
| 98) | C |
| 99) | D |
| 100) | D |