1. What is the most important factor determining business success?
   1. Response Time
2. What is the effect of each of these stock-on-hand inventory? Too small? Too large?
   1. Too Small – decreases response time
   2. Too Large – Increases storage cost and cost of inventory
3. What is JIT inventory?
   1. Products manufactured when needed
4. Why is it important to track inventory?
   1. Allows producer to respond to customer inquiry
   2. Allows producer to manage and update inventory if needed
5. Explain the features of the two types of inventory controls.
   1. Manual – Counting and collecting information by hand or manually periodically to check on status of inventory
   2. Continuous – Electronic database manages inventory and keep tracks of what is sold instantly
6. Define Product Distribution Channels.
   1. Each individual step in the process of movement of goods or services to the consumer
7. Define intermediary.
   1. A person such as a retail distributor or middleman/representative who renegotiations transactions
8. What is "markup"?
   1. Increased product price
9. What is the difference between disintermediation and re-intermediation.
   1. Disintermediation is the process of removing distribution channels when becoming obsolete while re-intermediation is the process of adding newer distribution channels
10. What is meant by e-check?
    1. Electronic Checks
11. What is the number one goal of any business?
    1. To make money
12. Define profitability.
    1. The ability to make revenue after expenses are deducted from sales
13. List some of the common expenses incurred by a business.
    1. Facilities and Utilities
    2. Equipment
    3. Inventory
    4. Distribution
    5. Wages
14. Define productivity.
    1. Amount of output for each hour of work
15. How do you increase profits?
    1. Higher productivity means you can have less people doing the same amount of work or have the same amount of people producing even more of the good for sale