



SAMPLE EXAM

BUSINESS MANAGEMENT + ADMINISTRATION CAREER CLUSTER

THE BUSINESS MANAGEMENT + ADMINISTRATION
CAREER CLUSTER EXAM IS USED FOR THE
FOLLOWING EVENTS:

BUSINESS LAW AND ETHICS TEAM DECISION MAKING **BLTDM**

HUMAN RESOURCES MANAGEMENT SERIES **HRM**

These test questions were developed by the MBA Research Center. Items have been randomly selected from the MBA Research Center's Test-Item Bank and represent a variety of instructional areas. Performance indicators for these test questions are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided.

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1. To sell sweatshirts, jackets, and T-shirts imprinted with ABC University's logo, the Collegiate Sportswear Company pays royalties to the university. What type of business ownership does this situation exemplify?
 - A. Business-format franchise
 - B. Licensing agreement
 - C. General partnership
 - D. Multilevel marketing
2. Which of the following statements is true about the directing function of management:
 - A. It uses standardized communication.
 - B. It is results driven rather than performance driven.
 - C. It is a continuous process.
 - D. It primarily occurs at the lowest level of the organization.
3. Legal ownership of purchases does not pass to the purchaser until all payments have been made if the purchaser uses _____ credit.
 - A. regular
 - B. trade
 - C. installment
 - D. revolving
4. Belinda is reviewing departmental reports to determine why the business's outputs have been decreasing steadily over the last six weeks. Belinda is analyzing issues related to
 - A. human resources.
 - B. finance.
 - C. production.
 - D. distribution.
5. Which of the following is an example of a trade secret:
 - A. Legal document
 - B. Credit report
 - C. Trade journal
 - D. Customer list
6. While opening a large box of office supplies, Kendall accidentally cut her finger with the box cutters she was using. Another employee, Jorge, was helping Kendall at the time and witnessed the accident. What is the first thing that Jorge should do?
 - A. Fill out an accident report
 - B. Put the office supplies away
 - C. Call Kendall's doctor
 - D. Administer first aid

7. Before filing a civil lawsuit in court, Kwame's attorney sent a letter to Tosh's attorney. In the letter, Kwame's attorney explained why they believe they would win a lawsuit against Tosh. Kwame's attorney sent a(n) _____ letter to Tosh's lawyer.
- A. termination
 - B. official
 - C. demand
 - D. warning
8. Seeing a movie at a theater would be considered a(n) _____ want.
- A. unlimited
 - B. limited
 - C. noneconomic
 - D. economic
9. A business captures its employees' knowledge of certain tasks, processes, and events by developing a chart that outlines the relationships among bits of information. This is an example of a business using a(n) _____ technique to capture and transfer knowledge.
- A. statistical
 - B. authority-based
 - C. diagram
 - D. transcription
10. Which of the following positions oversees the recruitment, training, performance, and safety of employees:
- A. Office manager
 - B. Operations manager
 - C. Human resources manager
 - D. Project manager
11. Supply chain network design improves service and reduces cost by aligning purchasing, production, warehousing, inventory, and _____.
- A. marketing.
 - B. transportation.
 - C. the sales force.
 - D. promotion.
12. Holly, Jamar, and Ricki are working on a project together, even though they are geographically far away from each other. They use the internet to work on documents together, share files, and communicate quickly and easily. What type of software are Holly, Jamar, and Ricki using?
- A. Groupware
 - B. Spyware
 - C. Freeware
 - D. Shareware

13. Which of the following is a component of verbal communication between individuals:
- A. Facial expression
 - B. Body posture
 - C. Eye contact
 - D. Listening
14. If a business sells its customer list to other organizations without obtaining its customers' consent, the business is likely to
- A. take legal action against the other organizations.
 - B. lose its customers' trust.
 - C. damage others' reputations.
 - D. offer deep discounts to gain back its customers' loyalty.
15. Lamont Enterprises is using a trademark that looks very similar to the Seward Company's trademark. To prevent Lamont from continuing to use the trademark, Seward can take legal action by
- A. obtaining an arrest warrant.
 - B. charging Lamont with obstruction of justice.
 - C. filing an infringement lawsuit against Lamont.
 - D. requiring Lamont to pay a licensing fee.
16. Lisa and Aaliyah are finishing a school project together. When Lisa asks Aaliyah what she thinks about her half of the project, Aaliyah tells her, "That looks good, but let me show you what else you could have done." Aaliyah's comments are an example of
- A. negative feedback.
 - B. constructive criticism.
 - C. internal feedback.
 - D. self-control.
17. To maintain positive, ongoing relationships with vendors, a business should
- A. adopt an indifferent outlook.
 - B. develop complex contracts.
 - C. focus on its own interests.
 - D. embrace a team-oriented mindset.
18. Online shipment tracking is one example of _____ affecting supply chain management.
- A. economic downturns
 - B. technology
 - C. globalization
 - D. production changes
19. Ethical quality management aims to benefit
- A. the business and those outside it.
 - B. individuals in positions of power.
 - C. only those outside the business.
 - D. the business and its employees only.

20. Which of the following are usually responsible for analyzing a business's income statement:
- A. Cashiers
 - B. Bookkeepers
 - C. Customers
 - D. Managers
21. A culture of recognition can deepen relationships because giving someone recognition means
- A. paying them the ultimate compliment.
 - B. playing favorites with them.
 - C. valuing their success over your own.
 - D. ignoring all of their flaws and mistakes.
22. Which of the following is a reason that organizations undertake knowledge management:
- A. They don't value an organizational culture of learning.
 - B. They know that new knowledge is only created outside the organization.
 - C. They want to ensure that organizational knowledge isn't wasted.
 - D. They must follow the laws and regulations of their industries.
23. Many countries have laws and regulations in place regarding workplace safety. In the United States, for example, businesses are required to keep their walkways and passageways free from obstruction and debris. This example best demonstrates how _____ affect(s) business _____.
- A. legal considerations; operations
 - B. operations; accessibility
 - C. government; financial planning
 - D. the law; marketing research
24. Which of the following tasks is a project manager typically responsible for:
- A. Determining and communicating the project objectives to clients
 - B. Telling project team members how to complete their activities
 - C. Providing direction and coordination to the project team work
 - D. Completing and documenting all of the necessary project work
25. What function of management establishes a company's levels of authority?
- A. Organizing
 - B. Evaluating
 - C. Controlling
 - D. Staffing
26. How can management reduce the business's level of risk associated with ethics?
- A. Advise employees that following business ethics depends on the situation
 - B. Assume employees know what constitutes ethical behavior
 - C. Allow employees to follow their own set of ethics
 - D. Train employees about expectations in relation to workplace ethics

27. Building and maintaining political relationships within an organization is often beneficial because it often
- A. creates a conflict-free working environment.
 - B. helps employees and the company accomplish objectives.
 - C. prevents the competition from losing market share.
 - D. reduces the need to seek information from outside sources.
28. Managers need to be familiar with the latest technology, government regulations, innovations and trends within the industry, and competitors' activities. What category of resource is this?
- A. Financial
 - B. Information
 - C. Material
 - D. Human
29. A developing country sets its currency to be the same value as the U.S. dollar. This is called a(n)
- A. direct exchange rate quotation.
 - B. free-floating currency.
 - C. pegged currency.
 - D. indirect exchange rate quotation.
30. What should you do if a customer is being difficult or demanding?
- A. Ignore them, and focus on another customer.
 - B. Continue to treat them with courtesy and respect.
 - C. Promise to give the customer a significant discount.
 - D. Tell the customer that their attitude is inappropriate.
31. The PVX automotive manufacturer keeps office supplies such as copy paper, pens, and notepads on hand at all times. These office supplies are part of the manufacturer's inventory of
- A. finished products.
 - B. raw materials.
 - C. work-in-process.
 - D. MRO goods.
32. When you are able to respect and appreciate other people's unique viewpoints, you can
- A. work more efficiently at your job.
 - B. take on more responsibility at work.
 - C. have constructive dialogue with others.
 - D. expect people to take advantage of you.
33. Ethical stakeholder management includes
- A. reaching key deliverables.
 - B. communicating honestly and openly.
 - C. using money wisely.
 - D. defining quality standards.

34. Which of the following demonstrates business innovation:
- A. Luis reviews marketing campaign results.
 - B. Tessa introduces more sustainable packaging.
 - C. Myesha attends a creative design conference.
 - D. Xavi listens to a startup business podcast.
35. Kara is preparing the work breakdown structure (WBS) for a new project. She has prepared five work packages. She has estimated the time to complete each package as follows: Package A—26 hours; Package B—50 hours; Package C—38 hours; Package D—6 hours; and Package E—15 hours. If Kara's estimates are accurate, has she followed the 8/80 rule?
- A. Yes, the average time to complete each package is 27 hours, which meets the 8/80 criteria.
 - B. Yes, Kara has scheduled the packages so that each one does not exceed 80 hours.
 - C. No, package D does not meet the minimum requirement of taking eight hours to complete.
 - D. No, Kara has scheduled more than 80 hours of work for the entire project.
36. Which of the following helps individuals understand how their actions, needs, interests, values, and motives affect their personal behavior:
- A. Self-understanding
 - B. Self-fulfillment
 - C. Self-preservation
 - D. Self-esteem
37. A request made by an employee to a supervisor is an example of what type of communication?
- A. Horizontal
 - B. Grapevine
 - C. Downward
 - D. Upward
38. Which of the following is the primary purpose of word processing software programs:
- A. To store business records
 - B. To arrange numerical data
 - C. To maintain tables of data
 - D. To create text documents
39. The person who files a lawsuit is the
- A. judge.
 - B. lawyer.
 - C. plaintiff.
 - D. defendant.
40. Knowledge management is important for business success, but it is often limited by _____ team members.
- A. specialist
 - B. collaborative
 - C. gossipy
 - D. unmotivated

41. Vanessa is putting procedures into practice so her business records will not be lost in an office fire. She is practicing which tip of good recordkeeping?
- A. Use a system
 - B. Pick a style
 - C. Prevent errors
 - D. Avoid hazards
42. To continuously improve their quality processes, businesses need to
- A. promote change.
 - B. implement flexible policies.
 - C. establish benchmarks.
 - D. solicit customers.
43. A company develops a new production process so employees can create products while seated. This requires the company to schedule overtime hours but complies with a law that prevents employees from standing for more than eight hours. The company has changed its manufacturing process in response to
- A. costly overtime.
 - B. regulations.
 - C. employee disabilities.
 - D. legal battles.
44. Which of the following measures of central tendency is the most influenced by outliers at the extremes of a data set:
- A. Mode
 - B. Mean
 - C. Median
 - D. Range
45. Lakshna is buying a new car. There is a vehicle she likes at Dealership A, but before she makes her purchase, Lakshna visits three other dealerships to look at similar vehicles to make sure she is getting the best deal. This is an example of
- A. currency speculation.
 - B. merchandising.
 - C. comparison shopping.
 - D. impulse spending.
46. Mr. Williams's small pharmacy has been in operation for 10 years. Recently, a few senior citizens have asked to be billed once a month for medicines and other medical supplies. Mr. Williams would like to accommodate the seniors but is not sure of the effect these changes would have on his business. Which business activity would help Mr. Williams make a sound decision?
- A. Strategic management
 - B. Marketing
 - C. Financial analysis
 - D. Production

47. Which of the following is an example of a standing order:
- A. A department store's assistant buyer places an order with a clothing manufacturer for winter coats without providing specific styles, sizes, or colors.
 - B. An electronics retailer places an order on July 15 for a popular smartphone upgrade that will be available on December 1.
 - C. The Dunder Mifflin Paper Company ships 12 cases of copy paper to the KMV Company on the third Wednesday of every month.
 - D. Mr. and Ms. McPherson place an order with a local carpenter for a handcrafted table in a non-standard size.
48. Having a "rainy day" fund equivalent to six months of living expenses is an important financial goal because
- A. you can dip into your emergency fund to pay for things like vacations and clothing.
 - B. emergency funds guarantee that you will be okay even if you never work again.
 - C. it will protect you during a catastrophe, such as a health emergency or unemployment.
 - D. you won't need to save for college or retirement if you have an emergency fund.
49. Individuals and businesses who are sued have a legal right to present evidence on their behalf before a court can impose a penalty. In other words, these individuals and businesses have a right to
- A. procedural due process.
 - B. substantive due process.
 - C. the Takings Clause.
 - D. sovereign immunity.
50. How does supply chain management increase customer satisfaction?
- A. Reduces the time it takes for goods to reach consumers
 - B. Integrates information throughout an organization
 - C. Improves cash flow
 - D. Enhances data quality
51. During which phase of a project do project team members perform archiving procedures?
- A. Controlling
 - B. Execution
 - C. Definition
 - D. Closing
52. What is the primary purpose of managerial planning?
- A. To evaluate forecasts
 - B. To prepare for the future
 - C. To implement activities
 - D. To change processes
53. Corey wants a quality product that performs as it is supposed to. In other words, Corey is looking for an item that is
- A. durable.
 - B. responsive.
 - C. reliable.
 - D. serviceable.

54. When an accident occurs at a place of business, employees should first try to
- A. find out how serious it is.
 - B. take the victim's pulse.
 - C. move the injured person.
 - D. call an ambulance.
55. Silas is unsure how to dress appropriately for his payroll manager job interview. Which of the following is a guideline that might help him select the proper attire:
- A. Clothing types should follow current trends.
 - B. Patterns and textures of clothing should be contrasting.
 - C. Business clothing usually should be conservative.
 - D. Articles of clothing should have several points of focus.
56. One of the benefits of orderly and systematic behavior is that it should help you to achieve
- A. your own goals.
 - B. immediate success.
 - C. financial security.
 - D. personal popularity.
57. Which of the following types of businesses is most likely to have high liability insurance costs:
- A. A clothing boutique
 - B. A skydiving operation
 - C. A landscaping service
 - D. An ice cream parlor
58. A high level of self-esteem can help individuals to
- A. keep from getting angry.
 - B. cope with criticism.
 - C. prevent problems.
 - D. avoid disappointments.
59. It is good to feel empathy, but empathy is more beneficial to others if you know how to _____ it.
- A. demonstrate
 - B. demand
 - C. describe
 - D. define
60. An important function of human resources management in business is
- A. social media.
 - B. employee recruitment.
 - C. domain development.
 - D. capital investment.

61. Who typically pays payroll taxes?
- A. Employers only
 - B. Employers and employees
 - C. Employees only
 - D. Government entities
62. If the supply of a product decreases while demand remains the same, the price the consumer is charged for the product will probably
- A. decrease.
 - B. stabilize.
 - C. remain the same.
 - D. increase.
63. Maverick is the new manager of the accounting department. He plans to meet with each employee individually and ask them for feedback about his performance so that he can improve his weaknesses. Which of the following approaches is most likely to result in honest feedback from his staff:
- A. Maverick could admit a weakness that he is working on and ask if there are any other things he needs to improve.
 - B. Maverick could anticipate concerns his employees are likely to have about his management style and prepare possible explanations.
 - C. Maverick could simply ask employees if they believe he is effectively leading the accounting department.
 - D. Maverick could ask his employees to compare his leadership with the leadership of the former department manager.
64. If you fail to assess the long-term value and impact of your actions on others, you are most likely to
- A. damage other people's relationships.
 - B. limit others' personal growth.
 - C. become a better observer of the world around you.
 - D. have a negative impact on society.
65. Because the ILM Manufacturing Company orders large amounts of bolts and washers, the company's buyer asks its parts vendor for an additional 5% off the invoice total. This is an example of a business negotiating
- A. delivery terms.
 - B. a cash rebate.
 - C. a quantity discount.
 - D. service terms.
66. A car manufacturer in Country A purchases parts from a factory in Country B. When Country B suffers a massive earthquake, the car manufacturer is forced to put production on hold until it can find another factory to supply the parts. What type of risk does this situation illustrate?
- A. Employee
 - B. Environmental
 - C. Political
 - D. Health and safety

67. Which of the following is the primary activity performed during the execution phase of a project:
- A. Financing
 - B. Producing
 - C. Arbitrating
 - D. Forecasting
68. Which of the following data change activities is considered a best practice:
- A. Leaving an old system intact until its replacement is completely up and running
 - B. Only keeping one copy of all data and systems to reduce redundancy
 - C. Planning for data change processes to occur during normal business hours
 - D. Keeping data change processes hidden from employees until they are completed
69. One possible downside to choosing overseas suppliers is
- A. increased delivery times.
 - B. a simpler supply chain.
 - C. increased costs.
 - D. increased taxes.
70. Andy presents his idea for restructuring his company to the board of directors. In which stage of the change-management lifecycle is Andy?
- A. Implementation
 - B. Close
 - C. Review and authorize
 - D. Identify need for change
71. A reason why being honest helps workers get along well with their coworkers is that honest workers
- A. live up to their promises.
 - B. are more willing to share.
 - C. focus on creating harmony.
 - D. exchange rumors and gossip.
72. What section of the statement of work (SOW) defines what the project will produce?
- A. Schedule estimates
 - B. Purpose statement
 - C. Project deliverables
 - D. Benefits and risks
73. One of the primary goals of supply chain management is to
- A. set prices for products that maximize profits.
 - B. control customer perceptions of a business.
 - C. minimize overall value to the customer.
 - D. gain a competitive advantage in the marketplace.

74. Which of the following is a benefit of using mediation to resolve disputes:
- A. Decisions that carry more weight
 - B. Unbiased third-party decision maker
 - C. Cost-effectiveness and efficiency
 - D. Higher payouts for defendants
75. In Maria's community, the accumulation of wealth is a shared value that is often passed down from generation to generation. As a result, Maria is often attracted to luxury products. This is an example of a _____ influence on Maria's buying behavior.
- A. psychological
 - B. situational
 - C. personal
 - D. cultural
76. Thomas is reviewing job applications to determine the five most qualified candidates to interview for a sales position. What management activity is Thomas performing?
- A. Orienting
 - B. Training
 - C. Screening
 - D. Innovating
77. Effective headings in research reports are
- A. vague.
 - B. lengthy.
 - C. non-parallel.
 - D. descriptive.
78. Which of the following is an example of technology supporting a business's knowledge management processes:
- A. Using location-targeted digital advertisements
 - B. Tracking customer information in a customer relationship management system
 - C. Sending digital coupons through a third-party advertising service
 - D. Monitoring interactions on a business social media account
79. Because the company's president was impressed with Ed's willingness to accept additional tasks and carry them out without a lot of direction, they promoted Ed to a management position. What personal trait does Ed possess that helped him advance in his career?
- A. Self-control
 - B. Initiative
 - C. Self-confidence
 - D. Courage

80. A manufacturing company would like to produce 5,000 finished products per day; however, the company cannot afford the machinery to do so. Instead, the firm decides to extend each employee's work day by one hour to make up for the lost production. This is an example of how _____ impact(s) business process design.
- A. technology
 - B. social norms
 - C. regulations
 - D. human error
81. Which of the following are examples of digital assets a business could own:
- A. Logos, apps, and customer email lists
 - B. Websites, machinery, and subscriptions
 - C. Websites, photographs, and property
 - D. Cash, photographs, and machinery
82. Which of the following is a type of insurance company in which the policyholders retain the profits:
- A. Insurance underwriting association
 - B. Risk retention group
 - C. Insurance broker
 - D. Local insurance agency
83. Effective change management has benefits on both the organizational and individual levels. A way in which it benefits an individual is that it helps
- A. anticipate challenges and respond efficiently.
 - B. contain costs associated with change.
 - C. plan efficient communication strategies.
 - D. align existing resources within the company.
84. Monitoring a project makes sure people involved are doing their part to make the project run smoothly. This is an example of how monitoring a project
- A. saves time and resources.
 - B. creates accountability.
 - C. helps you learn from experience.
 - D. builds stronger relationships with stakeholders.
85. Which of the following is a good way to end a business phone call:
- A. Make small talk about the caller's day.
 - B. List all of the points made in the call.
 - C. Wait for the caller to speak before deciding the call is over.
 - D. Offer your email address if the caller needs additional information.
86. Which of the following statements regarding employees' use of social media is true:
- A. When employees make negative comments about their company, it generates positive publicity.
 - B. Employees of large companies should never be allowed to have personal social media pages.
 - C. An employee's personal social media pages have no impact on the company.
 - D. An employee's social media "brand" can impact the company's overall image.

87. To reduce the risk of injury in the workplace, the government requires businesses to follow
- A. safety regulations.
 - B. organizational health policies.
 - C. conservation ordinances.
 - D. privacy laws.
88. Which of the following is an example of intellectual capital:
- A. Office computers
 - B. Sales revenue
 - C. A company's stocks
 - D. An employee's product knowledge
89. Every task in a business process should have defined roles and responsibilities, which can be documented in an ARCI matrix. ARCI stands for accountable, responsible, _____, and informed.
- A. constant
 - B. controlled
 - C. consulted
 - D. collaborative
90. Businesses that are built on strong ethical principles are more likely to
- A. avoid legal trouble.
 - B. go bankrupt.
 - C. face lawsuits.
 - D. drive away customers.
91. A business decides to use some surplus cash to pay off a loan early. This is an example of using financial information to
- A. increase sales.
 - B. manage debt.
 - C. make purchases.
 - D. create budgets.
92. Which of the following is a form of technology used to manage business risk in relation to online security:
- A. Meta tags
 - B. Frames
 - C. Site maps
 - D. Firewalls
93. Which of the following is a way in which business profits benefit society:
- A. Profits indicate trends in consumer preferences.
 - B. Profits enable businesses to compete with other businesses.
 - C. Profits encourage business owners to conserve resources.
 - D. Profits provide an incentive to entrepreneurs.

94. Which of the following statements best describes how all employees can help control company expenses:
- A. They can manage their time efficiently.
 - B. They can implement a department budget.
 - C. They can control company purchasing costs.
 - D. They can increase the profit margin ratio.
95. A project manager must extend the due date of a project activity by three days. What project-management software application will enable the project manager to make the change?
- A. Reporting
 - B. Scheduling
 - C. Budgeting
 - D. Publishing
96. The money that a company has left over after paying its operating expenses and capital expenditures is classified as
- A. limited cash flow.
 - B. free cash flow.
 - C. dividends.
 - D. stock value.
97. How can a project manager fast-track a project?
- A. Increase managerial oversight
 - B. Organize teams to run tasks concurrently
 - C. Refrain from making changes to stay on course
 - D. Add additional human resources
98. Creativity is associated closely with the trait of
- A. imagination.
 - B. orderliness.
 - C. dependability.
 - D. patience.
99. When developing persuasive business letters, it is most important for the writers to think about the readers'
- A. possible objections.
 - B. personal images.
 - C. decision-making styles.
 - D. nonverbal cues.
100. After his manager instructs him to prepare an analytical report, JoJo conducts online research on consumer preferences and demographics to identify potential growth opportunities. Which of the following analytical reports is JoJo likely writing:
- A. Market analysis
 - B. Trend analysis
 - C. Financial analysis
 - D. Operations analysis



KEY

Test Number 1285

Business Management and Administration Cluster Exam

BLTDM – Business Law and Ethics Team Decision Making Event

HRM – Human Resources Management Series Event

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1. B

Licensing agreement. A licensing agreement is a business structure that requires the authorization or permission from an owner to another entity to use trademarked (e.g., logo, name), copyrighted, or patented material for a specific activity, during a specific time period, for the profit of both parties. In the example, the sportswear company pays the university to use its logo, so the business arrangement involves a licensing agreement. A business-format franchise is a franchise arrangement in which the franchisee must operate under the trade name of the parent company that provides continuous assistance in setting up and operating the business. Multilevel marketing refers to a business, usually well-known, that pays commissions on sales earned to people at two or more levels. The sales representatives usually work independently of the company. A general partnership is a form of business ownership in which two or more individuals own the business, and each partner shares responsibility for the business's liabilities.

SOURCE: BL:003 Explain types of business ownership

SOURCE: LAP-BL-003—Own It Your Way (Types of Business Ownership)

2. C

It is a continuous process. Directing is the management function of providing guidance to workers and work projects. To varying degrees, managers need to guide their employees' work activities on an ongoing basis; therefore, directing is a continuous process. Employees' personalities and needs vary, so managers often use different communication styles to guide and motivate them. Directing occurs at all levels of an organization and is a performance-driven function that managers use to obtain the desired results or goals.

SOURCE: SM:066 Discuss managerial considerations in directing

SOURCE: Samiksha, S. (n.d.). *6 important features/characteristics of directing function | Organization management*. Retrieved August 4, 2023, from <https://www.yourarticlelibrary.com/organization/6-important-featurescharacteristics-of-directing-function-organization-management/8670>

3. C

Installment. Installment credit is often used to make major purchases such as cars and trucks. The title of ownership will carry the purchaser's name, but the seller may hold the title or have a claim against it until all installment payments are complete. Regular and revolving credit purchases pass legal ownership to the buyer at the time of purchase. Trade credit is credit extended by one business to another business.

SOURCE: FI:002 Explain the purposes and importance of credit

SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

4. C

Production. Business analysis is the process of investigating and evaluating a business issue, problem, process, or approach. Analysis helps the business determine if it is accomplishing its goals or if it needs to make adjustments so it can accomplish its goals. Businesses analyze many types of situations. Production is the process of producing goods and services. When the business detects production problems (e.g., output decreases), it needs to obtain data to find out why problems are occurring so it can take the appropriate steps to resolve the problem. Distribution is the business function of moving or transferring the ownership of goods or services from producers to consumers. Finance is the business function that involves the management of money. Human resources are the people who work to produce goods and services.

SOURCE: OP:327 Discuss the nature of business analysis

SOURCE: Course Sidekick. (2023). *Factors of production: Inputs and outputs*. Retrieved August 4, 2023, from <https://www.coursesidekick.com/business/study-guides/baycollege-introbusiness/reading-resources-inputs-and-outputs>

5. D

Customer list. A trade secret is information that a business develops or owns that can be used to obtain a competitive advantage or financial gain. Customer lists, recipes, production techniques, and research and development processes are examples of trade secrets. Businesses should develop procedures to protect trade secrets to reduce the risk of competitors obtaining the knowledge for use and gain. Trade journals, credit reports, and legal documents are not examples of trade secrets.

SOURCE: KM:004 Explain legal considerations for knowledge management

SOURCE: McCants, T.S. (2023, August 1). *Protecting trade secrets*. Retrieved August 4, 2023, from <https://www.findlaw.com/smallbusiness/intellectual-property/protecting-trade-secrets.html>

6. D

Administer first aid. If someone you are working with cuts or scratches themselves, the first thing that you should do is administer first aid. Jorge, for instance, should help Kendall treat her cut. If the injury is serious, you should also call the paramedics and have the worker taken to the hospital for medical treatment. It is not necessary to call the coworker's doctor. After the worker's injury has been treated, you will both need to fill out an accident report. If someone is injured, you should help them, not ignore them and continue with your work.

SOURCE: OP:010 Handle and report emergency situations

SOURCE: Phalen Law. (2022, September 8). *Workplace injury procedures for employees*. Retrieved August 3, 2023, from <https://phalenlawfirm.com/blog/workplace-injury-procedures-for-employees/>

7. C

Demand. A demand letter is a letter sent to a person informing them of a legal dispute. Demand letters are used in small-claim disputes to inform a person of the legal dispute and to ask for relief. Relief is the course of action that would satisfy someone who files a lawsuit. Generally, relief is restitution. A termination letter informs someone that they were fired from a job. An official letter is simply a formal letter. A demand letter is a step further than a warning letter. A warning letter would simply indicate a problem to the letter-reader.

SOURCE: BL:159 Describe factors affecting the settlement of legal matters

SOURCE: Sanders, M. (2023, May 11). *The do's and don'ts of writing a demand letter*. Retrieved August 3, 2023, from <https://www.legalzoom.com/articles/the-dos-and-donts-of-writing-a-demand-letter>

8. D

Economic. An economic want is something that you desire that has a monetary value. Seeing a movie would have a monetary value attached to it. A noneconomic want is a desire for something that has no monetary value. Wants are unlimited because everyone has them, they change, and people are not able to obtain enough resources to satisfy all of their wants. Limited wants do not exist.

SOURCE: EC:001 Describe the concepts of economics and economic activities

SOURCE: LAP-EC-901—Are You Satisfied? (Economics and Economic Activities)

9. C

Diagram. A business can use many different tools to capture and transfer knowledge in an organization. By diagramming the information, the business can draw relationships and make connections among different components of information. The business can analyze the diagram to determine efficiencies and inefficiencies within the business, or it can share the acquired knowledge with employees within the organization. The example is not using authority-based, statistical, or transcription techniques to capture and transfer knowledge within an organization.

SOURCE: KM:005 Identify techniques that can be used to capture and transfer knowledge in an organization

SOURCE: Ding, O. (2021, December 25). *Developing tacit knowledge*. Retrieved August 4, 2023, from <https://medium.com/call4/developing-tacit-knowledge-b509e751583c>

10. C

Human resources manager. A human resources manager is responsible for focusing on staffing activities, including the planning, recruitment, selection, orientation, performance appraisal, compensation, and safety of those employees. An operations manager is responsible for planning, organizing, coordinating, and controlling the resources needed to produce and provide a business's goods or services. An office manager facilitates business operations through information and communication management, data processing and collection, and project tracking. A project manager is responsible for overseeing all of the activities that are part of a project.

SOURCE: PD:297 Discuss employment opportunities in business management and administration

SOURCE: LAP-PD-297—Career Opportunities in Business Management and Administration

11. B

Transportation. Supply chain network design aligns purchasing, production, warehousing, inventory, and transportation. Supply chain network design does not incorporate marketing, promotion, or the sales force.

SOURCE: OP:479 Describe supply chain networks

SOURCE: Chartered Institute for Procurement and Supply. (2023). *What is supply chain network design?* Retrieved August 4, 2023, from <https://www.cips.org/intelligence-hub/operations-management/supply-chain-network-design>

12. A

Groupware. Groupware is specialized software that allows users to work on documents together, share files, and communicate quickly and easily. While some groupware requires users to collaborate through an intranet, much of today's groupware is internet-based, allowing group members in multiple locations to work together online. Many Web 2.0 tools such as Google Apps are groupware applications. Shareware is essentially sample software. It gives consumers an opportunity to try software free of charge before purchasing it. Because it is merely a sample, the shareware is likely to be limited in functionality or time. Spyware is malicious software installed on computers to gather users' personal information. Freeware is software available at no cost to consumers.

SOURCE: NF:011 Demonstrate collaborative/groupware applications

SOURCE: Gliffy. (2022, May 26). *What is groupware and how do teams use it to collaborate?* Retrieved August 3, 2023, from <https://www.gliffy.com/blog/groupware>

13. D

Listening. Listening involves not only hearing what the speaker is saying but making appropriate verbal responses. It is an essential component, or part, of verbal communication. Facial expressions, eye contact, and body posture are examples of nonverbal communication.

SOURCE: CO:147 Explain the nature of effective verbal communications

SOURCE: Skills You Need. (2023). *Verbal communication skills*. Retrieved August 3, 2023, from <https://www.skillsyouneed.com/ips/verbal-communication.html>

14. B

Lose its customers' trust. Customers typically do not like businesses to share their contact information with other organizations without their permission. When this occurs, customers become distrustful of the business and often go to competitors to obtain the products they need and want. As a result, the offending business may lose sales and profits and is likely to develop an unfavorable reputation. The customers may want to take legal action against the business that shared their personal information without obtaining permission. A business's response to customer defections may or may not involve offering discounts to gain back its customers' loyalty.

SOURCE: CR:017 Explain the role of ethics in customer relationship management

SOURCE: LAP-CR-017—Trust Is a Must (Ethics in Customer Relationship Management)

15. C

Filing an infringement lawsuit against Lamont. A trademark is a symbol, design, or word used by a producer to identify a good or service. To prevent unauthorized use of the trademark (or a similar trademark), the trademark owner should register the trademark with the government. If another company (Lamont) uses a trademark that is similar to one that has been previously registered (Seward), the original owner (Seward) can file an infringement lawsuit against the company (Lamont) to stop the unauthorized use. And in some situations, the owner can obtain monetary damages from the unauthorized user. Directly asking Lamont to pay a fee is not a legal action. Obstruction of justice is a formal charge in which the judicial system accuses an individual with the crime of withholding critical evidence that can affect the outcome of a trial. An arrest warrant is an order issued by a judge that instructs law-enforcement officers to bring to jail an individual who has been charged with a crime.

SOURCE: NF:076 Explain legal issues associated with information management

SOURCE: Nolo. (2023). *Is it trademark infringement?* Retrieved August 3, 2023, from <https://www.nolo.com/legal-encyclopedia/is-it-trademark-infringement>

16. B

Constructive criticism. Constructive criticism is evaluative information designed to help someone improve. Negative feedback is feedback involving criticism, a negative judgment about you or your behavior; it tends to make you want to change or modify your words or actions. Internal feedback is feedback that comes from within yourself. Self-control is the restraint of your feelings, words, and actions.

SOURCE: EI:003 Explain the use of feedback for personal growth

SOURCE: LAP-EI-903—Grin and Bear It (Using Feedback for Personal Growth)

17. D

Embrace a team-oriented mindset. To develop positive, long-term relationships with vendors, a business should be willing to collaborate with them and view the relationships as partnerships; this requires a team-oriented mindset. Developing overly complex contracts may cause friction with vendors. Being indifferent or focusing only on the business's interests may also cause friction, and neither are ways in which a business builds strong, long-term relationships with vendors.

SOURCE: OP:241 Maintain vendor/supplier relationships

SOURCE: Planergy. (2023). *10 strategies for improving supplier relationship management (SRM)*. Retrieved August 4, 2023, from <https://planergy.com/blog/improve-supplier-relationship-management>

18. B

Technology. Technology has led to significant changes in shipment tracking and has, therefore, affected supply chain management. Globalization, economic downturns, and production changes can also significantly affect supply chain management, but they do not relate directly to online shipment tracking.

SOURCE: OP:478 Describe the impact of technology on supply chain management

SOURCE: Wisner, J.D., Tan, K.T., & Leong, G.K. (2019). *Principles of supply chain management: A balanced approach* (5th ed.) [Lesson 1-3]. Boston, MA: Cengage Learning, Inc.

19. A

The business and those outside it. Quality management is the ongoing process of planning, implementing, and integrating quality into every aspect of an organization. Where quality management seeks to implement practices that benefit the business, ethical quality management aims to benefit both the business and those outside it. Organizations that prioritize ethical quality management are sensitive to the impact their products and internal processes have on consumers and society.

SOURCE: QM:012 Discuss ethical considerations in quality management

SOURCE: LAP-QM-012—Quality Is the Best Policy (Ethics in Quality Management)

20. D

Managers. The income statement is usually analyzed by people who are responsible for the financial status of the business. This includes managers who look at ratios to monitor operations and determine whether a company is running efficiently. They also use the income statement to monitor yearly profit activity. Customers usually do not review a business's income statements unless they are also stockholders in the business. Bookkeepers usually are responsible for compiling income statement information but not analyzing it. Cashiers accept payments from customers, but they are not responsible for analyzing a business's income statements.

SOURCE: FI:094 Describe the nature of income statements

SOURCE: LAP-FI-094—Watch Your Bottom Line (Income Statements)

21. A

Paying them the ultimate compliment. Giving recognition to someone is like paying them the ultimate compliment—by recognizing that person, you show them that they are valued and respected, deepening your relationship. A culture of recognition does not mean that people are playing favorites, and it does not mean that people who give recognition value the success of others over their own. Giving recognition to someone does not mean that you must ignore all of that person's flaws and mistakes; rather, it means that you choose to focus on that person's successes and achievements.

SOURCE: EI:014 Recognize/Reward others for their efforts and contributions

SOURCE: LAP-EI-141—Gimme Five! (Recognizing/Rewarding Others)

22. C

They want to ensure that organizational knowledge isn't wasted. Organizations undertake knowledge management because they want to make sure that organizational knowledge is available for use, not wasted. New knowledge comes from both within and outside of an organization. Organizations that undertake knowledge management value an organizational culture of learning. There are no laws or regulations forcing organizations to manage knowledge.

SOURCE: KM:001 Explain the nature of knowledge management

SOURCE: LAP-KM-001—Know Go (The Nature of Knowledge Management)

23. A

Legal considerations; operations. Many governments around the world create regulations that affect the everyday operations of all businesses by requiring or prohibiting certain actions. This example does not demonstrate how government affects business financial planning, how operations affect accessibility, or how the law affects marketing research.

SOURCE: OP:339 Discuss legal considerations in operations

SOURCE: Stone, J. (n.d.). *How OSHA regulations affect the hotel business*. Retrieved August 4, 2023, from <https://smallbusiness.chron.com/osha-regulations-affect-hotel-business-67443.html>

24. C

Providing direction and coordination to the project team work. The project manager is responsible for helping the team achieve a given project's objective, which means that they must oversee the project work to ensure all activities work together toward a common goal. Project managers should not tell team members exactly how to complete their work. The project manager is not responsible for completing all work; instead, they delegate tasks and rely on the abilities of team members to complete work. The project objectives are either determined by or include the input of clients or project sponsors.

SOURCE: PJ:007 Manage project team

SOURCE: Gido, J., Clements, J., & Baker, R. (2018). *Successful project management* (7th ed.) [Lesson 10-1]. Boston, MA: Cengage Learning, Inc.

25. A

Organizing. Organizing is the management function of setting up the way the business's work will be done. A primary organizing activity is establishing levels of authority. Staffing is the management function of finding workers for the company. Controlling is the management function that monitors the work effort. Evaluating is a controlling activity.

SOURCE: SM:064 Explain managerial considerations in organizing

SOURCE: Juneja, P. (2023). *Importance of organizing function*. Retrieved August 4, 2023, from https://www.managementstudyguide.com/organizing_importance.htm

26. D

Train employees about expectations in relation to workplace ethics. Employees must clearly understand the business's ethical standards and expectations. Offering ethics training can help employees understand the business's rules and ethical standards. Employees who do not have a clear understanding of the business's expectations in relation to ethical behavior put the business at risk. Employees who do not follow the business's ethics guidelines may cross a legal line without knowing they have done so. Because employees' experiences and beliefs often vary and because there are many gray areas in the business world, the business should not allow employees to follow their personal set of ethics or assume that the employees know what the business considers ethical behavior. Ethics are a set of principles that do not vary by situation.

SOURCE: RM:041 Explain the role of ethics in risk management

SOURCE: LAP-RM-041—Manage Risk the Right Way (Ethics in Risk Management)

27. B

Helps employees and the company accomplish objectives. Employees build political relationships in business to influence others (e.g., coworkers, managers) to take a certain course of action. The ability to influence others requires the employee to develop negotiation and conflict resolution skills. For example, an employee may need help from another person who works in another department to complete a project or activity. If the employee has developed a positive relationship with the other person, they are more likely to get the other person to help complete the project, which helps the company achieve a business objective. A person who builds a positive reputation and who continually meets the company's objectives is more likely to be promoted, thereby achieving their career goals. A successful company is concerned with maintaining or increasing its own market share rather than protecting a competitor's market share. Successful businesses often need to obtain information from outside sources, which does not depend on the political relationships that develop within the company.

SOURCE: EI:034 Explain the impact of political relationships within an organization

SOURCE: Wooll, M. (2021, October 29). *How to navigate office politics no matter where you work*. Retrieved August 3, 2023, from <https://www.betterup.com/blog/office-politics>

28. B

Information. Information resources are made up of knowledge, facts, or data. All forms of information are an important resource for a business. Human resources are people who work to produce goods and services. Material resources are equipment and suppliers used by businesses in their operation. Financial resources are all the sources of money available to the business.

SOURCE: SM:001 Explain the concept of management

SOURCE: LAP-SM-001—Manage This! (Concept of Management)

29. C

Pegged currency. A pegged currency is set by a country's government to mirror another country's currency. This is often done by developing nations to give their currency stability. Free-floating currency is the opposite of pegged. Its value fluctuates based on supply and demand. In terms of U.S. dollars, an indirect quote is the number of U.S. dollars that one unit of a foreign currency could buy. In terms of U.S. dollars, a direct quote is the number of a foreign currency that one dollar could buy. For example, a direct quote for the units could be U.S. \$1.50 = 1 Euro.

SOURCE: EC:100 Describe the determinants of exchange rates and their effects on the domestic economy

SOURCE: LAP-EC-100—Get Your Money's Worth (Exchange Rates)

30. B

Continue to treat them with courtesy and respect. Even if a customer is difficult and demanding, they should still be treated well. You should never ignore a customer, and it's out of line to tell a customer that their attitude is inappropriate. You also shouldn't confront customers. Even if they're being rude, you still must treat them respectfully. Be careful about making promises to the customer that you might not be able to fulfill. Broken promises are poor customer relations, so avoid promising anything unless you're absolutely sure that your manager would approve.

SOURCE: CR:003 Explain the nature of positive customer relations

SOURCE: LAP-CR-003—Accentuate the Positive (Nature of Customer Relations)

31. D

MRO goods. MRO goods are maintenance, repair, and operating supplies such as office supplies, janitorial supplies, employee uniforms, and work gloves. While none of these supplies will be part of the company's finished products—automobiles—PVX uses these supplies on a regular basis to ensure that the manufacturing process runs smoothly. Raw materials are items in their natural state or condition, such as glass or steel. Work-in-process consists of the car parts and components that are no longer raw materials but are not completely finished yet. Finished products are completed goods that are ready to be marketed to consumers.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Murray, M. (2019, November 15). *Maintenance, repair, and operating supplies (MRO)*. Retrieved August 4, 2023, from <https://www.liveabout.com/maintenance-repair-and-operating-supplies-mro-2221265>

32. C

Have constructive dialogue with others. An important component of effective communication is respect. When you are able to respect and appreciate other people's unique viewpoints, you can have constructive dialogue with people of all backgrounds. Being able to respect and appreciate other people's unique viewpoints does not necessarily allow you to take on more responsibility at work; however, the ability to handle diverse viewpoints is a valuable skill that can make you an attractive job applicant. Your ability to work efficiently is not related to your ability to appreciate other viewpoints. People will not take advantage of you when you respect and appreciate their opinions. Rather, they will most likely return the favor and respect and appreciate your own opinions.

SOURCE: EI:136 Consider conflicting viewpoints

SOURCE: LAP-EI-136—Pick a Side (Considering Conflicting Viewpoints)

33. B

Communicating honestly and openly. Stakeholder management involves overseeing the communications and expectations of all project stakeholders. Project team members need to check in with one another and with stakeholders throughout all phases of the project, disclosing issues and sharing ideas. Ethical communication includes being open, honest, and discerning when deciding what to share and how to say it. While defining quality standards, using money wisely, and reaching key deliverables are all ethical, they do not fall under stakeholder management.

SOURCE: OP:675 Describe the role of ethics in project management

SOURCE: LAP-OP-675—Projects With Principles (Ethics in Project Management)

34. B

Tessa introduces more sustainable packaging. Businesses must innovate to stay competitive, which includes creating new products or services, improving existing processes, and implementing other methods to increase efficiency and improve the company's bottom line. Tessa is contributing to business innovation by introducing more sustainable packaging. While listening to a podcast, reviewing campaign results, and attending a conference may spark new ideas, they are not direct examples of innovation.

SOURCE: SM:094 Describe relationship among innovation, learning, and change

SOURCE: Green, N. (2019, October 11). *What is business innovation and why is it important?* Retrieved August 4, 2023, from <https://www.wework.com/ideas/professional-development/creativity-culture/what-is-business-innovation>

35. C

No, package D does not meet the minimum requirement of taking eight hours to complete. A work breakdown structure (WBS) is the process of dividing project tasks into meaningful components to complete the project. Dividing the project into small work packages helps the project manager effectively schedule, assign, and monitor project activities. The 8/80 rule for dividing project work packages states that no package should take less than eight hours or more than 80 hours to complete. This rule intends to keep work packages in manageable units—not too small or too large. Because Kara allocated six hours to complete package D, she did not follow the 8/80 rule.

SOURCE: PJ:006 Prepare work breakdown structure (WBS)

SOURCE: Puduserry, A. (2019, November 7). *Work break down structures—10 key characteristics*. Retrieved August 4, 2023, from <https://www.wrenchsp.com/characteristics-of-good-work-break-down-structures>

36. A

Self-understanding. Achieving self-understanding is a difficult and complex task that requires critical thinking. Self-understanding is important because it helps people to know themselves. Self-esteem is the way you feel about yourself. Self-fulfillment is reaching one's full potential. Self-preservation is the concern for one's welfare and physical safety.

SOURCE: PD:013 Assess personal interests and skills needed for success in business

SOURCE: Betz, M. (2022, September 14). *What is self-awareness and why is it important?* Retrieved August 3, 2023, from <https://www.betterup.com/blog/what-is-self-awareness>

37. D

Upward. Upward communication is defined as communication that moves up the chain of command (e.g., employee to supervisor). Downward communication moves down the chain from management to employees. Horizontal communication is communication with someone on the same level within the business. Grapevine communication is unofficial messages passed among fellow employees.

SOURCE: CO:014 Explain the nature of staff communication

SOURCE: Sociabble. (2022, September 12). *Upward communication: How to improve it and increase employee engagement*. Retrieved August 3, 2023, from <https://www.sociabble.com/blog/employee-communications/upward-communication-employee-engagement/>

38. D

To create text documents. The primary purpose of word processing software programs is to create text documents, although some have limited graphic capabilities. Businesses use word processing software programs to write letters, memos, reports, business plans, sales contracts, etc. There are many different word processing software programs available that enable businesses to create, edit, and store important text documents. Although many word processing programs allow users to develop tables and include numerical data, these functions are not the primary purpose of word processing software programs. Spreadsheet software programs are used to organize numerical information. Database software programs are used to maintain various types and tables of data, such as important business records.

SOURCE: NF:007 Demonstrate basic word processing skills

SOURCE: Microsoft. (2023). *What is a word processor?* Retrieved August 3, 2023, from <https://www.microsoft.com/en-us/microsoft-365/word/word-processor>

39. C

Plaintiff. The plaintiff is the person in a case who makes a claim against another person or organization and starts the litigation process. The defendant is the person who is accused of breaking the law. The lawyer is the person who represents the plaintiff or defendant. The judge is the person who rules on a case.

SOURCE: BL:160 Describe the litigation process

SOURCE: Murray, J. (2020, December 2). *What is plaintiff in a lawsuit?* Retrieved August 4, 2023, from <https://www.thebalancemoney.com/what-is-a-plaintiff-in-a-lawsuit-398411>

40. D

Unmotivated. A common challenge with knowledge management is motivating people to share information and apply that shared knowledge consistently. Knowledge leaders need to foster communities of collaboration and cultures of growth to develop effective knowledge management systems. Collaborative team members will be more inclined to share knowledge. Team members with specialized knowledge are assets to a knowledge community. Gossipy team members might be unprofessional, but they aren't directly as challenging to knowledge management success as those who are unmotivated and unwilling to participate.

SOURCE: KM:018 Apply knowledge management processes

SOURCE: Casey, M. (2018, June 21). *11 knowledge management challenges managers face*. Retrieved August 4, 2023, from <https://dzone.com/articles/11-knowledge-management-challenges-managers-face>

41. D

Avoid hazards. Vanessa is applying the good-recordkeeping tip of "avoid hazards" by putting procedures into practice to keep her records from being lost in an office fire. She is not practicing the tips of "use a system" or "pick a style." "Prevent errors" is not a good-recordkeeping tip—although it is a good practice in any business task.

SOURCE: NF:001 Describe the nature of business records

SOURCE: LAP-NF-001—Record It (Business Records)

42. C

Establish benchmarks. Continuous improvement is the ongoing practice of looking for ways to increase the levels of excellence in relation to a process, good, or service. To determine if a business is improving the quality of its various products and processes, it needs to establish benchmarks—ways to provide a basis for comparison or evaluation of various components. If a business determines that benchmarks are not being achieved, then it may need to change processes or take corrective action. Change might include soliciting new customers or implementing new policies, depending on the situation being evaluated.

SOURCE: QM:003 Discuss the need for continuous improvement of the quality process

SOURCE: America Society for Quality. (2023). *What is benchmarking?* Retrieved August 4, 2023, from <https://asq.org/quality-resources/benchmarking>

43. B

Regulations. The company's new process allows it to comply with regulations. A company does not seek to schedule overtime if it is costly. There is no indication that the company is responding to the impact of employee disabilities or legal battles.

SOURCE: OP:476 Explain the causes of business process changes

SOURCE: Taylor, H. (2017, September 26). *Factors that affect process design*. Retrieved August 4, 2023, from <https://bizfluent.com/list-7444011-factors-affect-process-design.html>

44. B

Mean. The mean, often referred to as the “average” of a data set, is calculated by adding together the values of all items in a data set and then dividing by the number of items. This number can be heavily influenced by outliers because it uses all items in its calculation. Median refers to the item in a data set that occurs in the middle when the items are listed by value from the lowest to the highest. Therefore, median is much less affected by outliers than the mean. Mode refers to the item that occurs the most frequently in a data set. Since outliers, by definition, occur less frequently, they do not affect the mode. Range is the difference between the item of highest value and the item of lowest value in the data set. It is not a measure of central tendency.

SOURCE: NF:093 Interpret statistical findings

SOURCE: Bhandari, P. (2023, June 21). *Central tendency | Understanding the mean, median & mode*. Retrieved August 3, 2023, from <https://www.scribbr.com/statistics/central-tendency/>

45. C

Comparison shopping. Comparison shopping is the act of visiting other businesses to learn what competing stores are selling and the prices they charge in order to get the best price for the product(s) or service(s) you want or need. Lakshna demonstrated comparison shopping by visiting multiple businesses to compare prices before making a purchase decision. Currency speculation means buying, selling, or holding currencies in an effort to profit from fluctuations in exchange rates. Merchandising is a career involving the selection of products so that the right goods are in the right place at the right time to make a profit. Impulse spending is spending that is the result of an on-the-spot decision and not part of an overall spending plan.

SOURCE: FI:783 Make responsible financial decisions

SOURCE: My Accounting Course. (2023). *What is comparison shopping?* Retrieved August 3, 2023, from <https://www.myaccountingcourse.com/accounting-dictionary/comparison-shopping>

46. C

Financial analysis. This is the process of planning, maintaining, monitoring, controlling, and reporting the use of financial resources. It includes how to obtain funds for the business's operations and how to spend the funds. The marketing activity would add utility to the goods or services by enabling consumers to obtain the services they need where and when they are needed. The management activity coordinates the resources so that the services are available for the consumers. Production would include the creation of the needed goods or services from the economic resources.

SOURCE: EC:071 Describe types of business activities

SOURCE: LAP-EC-071—Strictly Business (Business Activities)

47. C

The Dunder Mifflin Paper Company ships 12 cases of copy paper to the KMV Company on the third Wednesday of every month. Standing orders involve sending products at set intervals. This type of purchase order is ideal for businesses that need the same amount of an item on a regular basis. The electronics retailer placed an advance order, which is a regular order that requests delivery at a future time—weeks or months before needing the items. Businesses often place advanced orders for new items when they anticipate a high demand for them. The assistant buyer placed a blanket order, which is an order that covers all or part of a retailer's seasonal requirements. Businesses typically place blanket orders several months before the season and do not contain detailed specifications or shipping dates. Mr. and Mrs. McPherson placed a special order, which is a request for a custom item that a vendor does not normally carry in stock.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: Lloyds Bank. (n.d.). *What is a standing order?* Retrieved August 4, 2023, from <https://www.lloydsbank.com/current-accounts/help-and-guidance/what-is-a-standing-order.html>

48. C

It will protect you during a catastrophe, such as a health emergency or unemployment. Emergency or “rainy day” funds are important safety nets in case of economic hardship. Saving up enough money to cover six months of living expenses will allow you to sustain yourself in the event of job loss, health emergency, loss of property, or tragedy. Ideally, you should never dip into your emergency fund until it is truly an emergency. Having an emergency fund won't guarantee that you will be financially healthy forever, but it can help you get back on your feet if you suffer a hardship. You should save for education and retirement costs in addition to your emergency fund.

SOURCE: FI:065 Set financial goals

SOURCE: Caldwell, M. (2021, October 20). *8 reasons you need an emergency fund*. Retrieved August 3, 2023, from <https://www.thebalancemoney.com/reasons-you-need-an-emergency-fund-2385536>

49. A

Procedural due process. Procedural due process exists to ensure that individuals and businesses who are sued or charged with a crime have the opportunity to present evidence on their behalf before a court can impose a penalty. Requiring the government to go through a certain set of legal procedures before taking someone's liberty or property provides the person or business in question a greater chance of being treated fairly. Substantive due process exists to ensure that the government does not take away our fundamental rights (e.g., privacy). The Takings Clause requires the U.S. government to pay a fair price for any private property that it takes for public use. Sovereign immunity protects a federal government from lawsuits brought against it in foreign courts.

SOURCE: BL:070 Describe the nature of legal procedure

SOURCE: Legal Information Institute. (n.d.). *Procedural due process*. Retrieved August 3, 2023, from https://www.law.cornell.edu/wex/procedural_due_process

50. A

Reduces the time it takes for goods to reach consumers. Supply chain management reduces the time it takes for goods to reach consumers, which improves customer satisfaction. Integrating information throughout an organization, improving cash flow, and enhancing data quality do not directly increase customer satisfaction.

SOURCE: OP:477 Explain the impact of supply chains on business performance

SOURCE: Flexe. (2019, September 26). *4 supply chain secrets to drive customer satisfaction*. Retrieved August 4, 2023, from <https://www.flexe.com/articles/4-supply-chain-secrets-to-drive-customer-satisfaction>

51. D

Closing. During the closing phase of a project, the deliverables are given to stakeholders, the lessons learned document is developed, and all of the project documents are archived (stored) for future reference. The project is initiated during the definition phase. During the execution stage, the project is implemented. Controlling is the management function that monitors the work effort.

SOURCE: PJ:008 Close project

SOURCE: Gido, J., Clements, J., & Baker, R. (2018). *Successful project management* (7th ed.) [Lesson 9-1]. Boston, MA: Cengage Learning, Inc.

52. B

To prepare for the future. Planning is the management function of deciding what will be done and how it will be accomplished, which is preparing for the future. Preparing forecasts is an activity that is often performed during the planning process. Implementing activities and changing processes are part of the managerial controlling function.

SOURCE: SM:063 Discuss the nature of managerial planning

SOURCE: Juneja, P. (2023). *Planning function of management*. Retrieved August 4, 2023, from https://www.managementstudyguide.com/planning_function.htm

53. C

Reliable. A reliable product is one that performs as it is supposed to. The longer the amount of time between breakdowns, the more reliable a product is considered to be. A serviceable product is one that can be maintained or repaired. The easier it is to do so, the more serviceable the product is considered to be. A durable product is one that performs its purpose for a long period of time. The longer the period of time before the product fails, the more durable the product is considered to be. Responsiveness involves the level of promptness and willingness with which a service is provided.

SOURCE: QM:001 Explain the nature of quality management

SOURCE: LAP-QM-001—Keep It Quality (Nature of Quality Management)

54. A

Find out how serious it is. To know what needs to be done or how much help is needed, employees need to find out whether the accident victim's injuries are minor or life threatening. Taking the victim's pulse should be done by medical personnel. Depending on the seriousness of the injury, it may be necessary to call a doctor or an ambulance, but an injured person should not be moved.

SOURCE: OP:009 Explain procedures for handling accidents

SOURCE: Weeklysafety.com. (2023). *Steps to take if there's an injury or incident at work*. Retrieved August 3, 2023, from <https://weeklysafety.com/blog/what-to-do-when-a-workplace-incident-happens>

55. C

Business clothing usually should be conservative. Silas should try to create a positive first impression of himself by following certain guidelines for proper dress. Dressing conservatively, especially for an interview, is one of these guidelines. Silas does not want his appearance to distract the interviewer; he wants the interviewer to focus the discussion on Silas's qualifications for the payroll manager position. Other guidelines include wearing an outfit that has one focal point, wearing styles that are fashionable rather than trendy, and choosing coordinating patterns and textures.

SOURCE: PD:002 Maintain appropriate personal appearance

SOURCE: LAP-PD-002—Brand Me (Personal Appearance)

56. A

Your own goals. When you work in an efficient, effective manner, you are more likely to receive such rewards as praise, raises, and promotions. This helps you move forward in your career. It will not necessarily make you popular, make you an immediate success, or give you financial security.

SOURCE: PD:009 Demonstrate systematic behavior

SOURCE: Eatough, E. (2023, May 8). *How to set goals and achieve them*. Retrieved August 3, 2023, from <https://www.betterup.com/blog/how-to-set-goals-and-achieve-them>

57. B

A skydiving operation. The cost of liability insurance is based on how likely the purchaser is to be sued for harm or injuries. A skydiving operation's liability insurance costs are likely to be high because skydiving is a dangerous activity. An ice cream parlor, clothing boutique, and landscaping service are less likely to be sued than a skydiving service because they are not dangerous operations.

SOURCE: FI:081 Describe the concept of insurance

SOURCE: MoneyGeek. (2023, April 11). *A complete guide to liability insurance: Protecting your home, auto, business & profession from common peril*. Retrieved August 3, 2023, from <https://www.moneygeek.com/insurance/liability/>

58. B

Cope with criticism. When self-esteem is well maintained, individuals can handle problems more easily, overcome the disappointments that are part of life, and cope with any criticism they may receive. Self-esteem cannot prevent feelings of anger from arising occasionally.

SOURCE: EI:016 Explain the concept of self-esteem

SOURCE: Skills You Need. (2023). *Dealing with criticism*. Retrieved August 3, 2023, from <https://www.skillsyouneed.com/ips/dealing-with-criticism.html>

59. A

Demonstrate. It is good to feel empathy, but empathy really cannot benefit others unless you know how to show it. Empathy must be voluntary and cannot be demanded. Defining or describing empathy may make it understandable, but this is not beneficial to others unless you know how to show empathy.

SOURCE: EI:030 Show empathy for others

SOURCE: LAP-EI-030—Have a Heart (Showing Empathy for Others)

60. B

Employee recruitment. Human resources management is the process of planning, staffing, leading, and organizing the employees of the business. An important aspect of the human resources function is seeking out and attracting qualified potential employees, which is employee recruitment. Capital investment, domain development, and social media are not primary activities of the human resources function in business.

SOURCE: HR:410 Discuss the nature of human resources management

SOURCE: Pradhan, D. (2023, May 5). *Recruitment in HR and how does it work?* Retrieved August 3, 2023, from <https://www.forbes.com/advisor/in/business/what-is-recruitment-in-hr/>

61. B

Employers and employees. Payroll taxes, such as Medicare and Social Security taxes, are taxes typically paid by both employers and employees. Employees and employers each pay half of what is charged for Medicare and Social Security taxes, which are collectively known as FICA. The revenue generated by payroll taxes go to fund government programs, among other things.

SOURCE: EC:072 Describe the nature of taxes

SOURCE: LAP-EC-072—Pay Your Share (Business Taxes)

62. D

Increase. A decrease in supply without a corresponding decrease in demand will result in an increase in the price of an item. This may create a seller's market in which demand is so great that consumers will buy regardless of high prices. The price will likely not remain the same, stabilize, or decrease.

SOURCE: EC:005 Explain the principles of supply and demand

SOURCE: LAP-EC-011—It's the Law (Supply and Demand)

63. A

Maverick could admit a weakness that he is working on and ask if there are any other things he needs to improve. By admitting a personal flaw, Maverick is demonstrating that he can handle criticism so employees are encouraged to respond honestly. Simply asking for opinions about his leadership may seem like Maverick is looking for compliments, and employees may not offer helpful advice. Even if Maverick anticipates concerns, he should focus on listening to the feedback, not on providing explanations for his behavior. Asking employees to compare Maverick to the former manager may only lead to comparisons of his and their former manager's personality or style with little insight into how Maverick could improve.

SOURCE: EI:106 Solicit feedback

SOURCE: Forbes. (2017, October 17). *Want honest feedback from employees? 16 strategies to try.* Retrieved August 3, 2023, from <https://www.forbes.com/sites/forbescoachescouncil/2017/10/17/want-honest-feedback-from-employees-16-strategies-to-try/?sh=6c68246929ac>

64. D

Have a negative impact on society. Failing to assess the long-term value and impact of your actions on others can contribute to a negative impact on society. If no one thinks of others, chaos will ensue! Failing to assess the long-term value and impact of your actions on others may damage your own relationships but should not affect others' relationships. It may limit your personal growth but should not affect others' personal growth. It will not make you a better observer of the world around you.

SOURCE: EI:137 Assess long-term value and impact of actions on others

SOURCE: LAP-EI-137—Choose for the Future (Assessing the Long-Term Value and Impact of Actions on Others)

65. C

A quantity discount. Businesses negotiate many terms when establishing and maintaining relationships with vendors. Often, a business may negotiate a quantity discount, which is a deduction from the seller's (vendor's) price for purchasing large volumes or dollar amounts of goods. Delivery terms address the manner in which the business will receive the product (e.g., delivery charges, transportation mode). Service terms address issues such as warranties, service calls, service fees, etc. A rebate is a return of part of the price that a customer pays for a product.

SOURCE: OP:337 Negotiate terms with vendors in business

SOURCE: Liberto, D. (2021, March 30). *Quantity discount: Definition, purpose, pros & cons*. Retrieved August 4, 2023, from <https://www.investopedia.com/terms/q/quantity-discount.asp>

66. B

Environmental. Environmental risks include natural disasters. When relying on a factory in another country, the car manufacturer in Country A assumes the risk that if a natural disaster occurs in Country B, it will possibly be unable to continue production. This is not an example of employee, political, or health and safety risk.

SOURCE: RM:092 Describe international considerations affecting risk management

SOURCE: Partner Engineering and Science. (2023). *Business environmental risk*. Retrieved August 4, 2023, from <https://www.partneresi.com/resources/glossary/business-environmental-risk>

67. B

Producing. During the execution phase of a project, team members perform or produce the work to create the desired outputs. Forecasting is the process of estimating something and is a planning activity. Financing is the process of obtaining the funds to produce the project. Arbitrating is the process of facilitating a negotiation process.

SOURCE: PJ:009 Execute and control projects

SOURCE: Watt, A., Barron, M., & Barron, A. (n.d.). 3. *The project life cycle (phases)*. Retrieved August 4, 2023, from <https://opentextbc.ca/projectmanagement/chapter/chapter-3-the-project-life-cycle-phases-project-management>

68. A

Leaving an old system intact until its replacement is completely up and running. The safest way to implement data change is to keep the old systems in place, untouched, until the new systems are completely ready for use. This prevents complete loss of data if the new system suddenly fails during transfer or if something else goes wrong. It's also a good idea to keep multiple copies of anything that is critical to the company's daily activities, such as servers, networks, hardware, and storage systems. You can never have too much redundancy when it comes to data change. It would be unwise to keep data change processes hidden from employees until they are completed, since the changes may affect employees' daily work life. To avoid interrupting normal workflow, major system changes should never be scheduled to occur during normal business hours.

SOURCE: NF:264 Adhere to data change best practices

SOURCE: Kutner, Y. (2021, May 3). *Five steps to successful technology change management*. Retrieved August 4, 2023, from <https://www.forbes.com/sites/forbestechcouncil/2021/05/03/five-steps-to-successful-technology-change-management>

69. A

Increased delivery times. Most companies want to reduce supply chain costs. Some of them may decide to use overseas suppliers, who often have lower prices and lower taxes. However, using an overseas supplier can often result in increased delivery time and a more complex supply chain.

SOURCE: OP:480 Discuss global supply chain issues

SOURCE: Roy, E. (2017, March 31). *What are the biggest challenges of managing global supply chains?* Retrieved August 4, 2023, from <https://www.tradeready.ca/2017/topics/supply-chain-management/biggest-challenges-managing-global-supply-chains>

70. C

Review and authorize. After the need for a change has been identified, it must be reviewed and approved before it can move forward. Andy is allowing the board of directors to review and authorize the change he wants to implement. Andy has already identified the need for change, and he is not yet in the implementation or close phases of the change-management lifecycle.

SOURCE: SM:096 Explain the change-management lifecycle

SOURCE: Ivanti. (2023). *Change management lifecycle model*. Retrieved August 4, 2023, from <https://www.ivanti.com/glossary/change-management?cwredirect=>

71. A

Live up to their promises. Coworkers know they can count on honest workers to do what they say they will do, to give them straight answers, and to try to do the right thing. This helps create harmony in the workplace, but that is not necessarily a goal of honesty. Honest workers refrain from exchanging rumors and gossip. Honest workers are not necessarily more willing to share.

SOURCE: EI:022 Demonstrate honesty and integrity

SOURCE: Long, N. (n.d.). *How to create an atmosphere of honesty in the workplace*. Retrieved August 3, 2023, from <https://smallbusiness.chron.com/create-atmosphere-honesty-workplace-10098.html>

72. C

Project deliverables. The statement of work (SOW) is a document that outlines the terms, commitments, and conditions of the project. It includes information about the project's activities, timelines, and deliverables. Deliverables are the goods, services, or documentation that will be provided to the stakeholder upon completion of the project—what the project will produce. The purpose statement defines the reason for the project. Schedule estimates are used to predict when work will be completed throughout the project.

SOURCE: PJ:005 Initiate project

SOURCE: Landau, P. (2023, April 28). *What is a statement of work? Definition & examples*. Retrieved August 4, 2023, from <https://www.projectmanager.com/blog/statement-work-definition-examples>

73. D

Gain a competitive advantage in the marketplace. Supply chain management involves supervising the complete process of getting products into the marketplace, from production to purchase by an end consumer. Two of the main goals of supply chain management are maximizing the value that is provided to the customer and gaining a competitive advantage in the marketplace by moving goods effectively and efficiently. Setting prices and controlling customer perceptions are not primary goals of supply chain management.

SOURCE: OP:303 Discuss the nature of supply chain management

SOURCE: Fernando, J. (2022, July 7). *Supply chain management (SCM): How it works and why it is important*. Retrieved August 4, 2023, from <https://www.investopedia.com/terms/s/scm.asp>

74. C

Cost-effectiveness and efficiency. Mediation is an informal process during which two parties meet with an impartial third party to find a mutually satisfactory solution to a problem. A benefit of mediation is that it is cost-effective and efficient, especially compared to going to trial. Mediation does not lead to higher payouts for the defendant. Mediation cannot impose a legally binding decision, so it does not carry more weight. Finally, while there is a third-party mediator, that person does not make decisions. Instead, they help guide the negotiation process while the two parties come to a decision on their own.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: Soskin, L. (2017, December 6). *Wondering what the difference is between mediation and arbitration?* Retrieved August 4, 2023, from https://www.huffpost.com/entry/wondering-what-the-differ_b_5291286

75. D

Cultural. A person's culture often has the most significant impact on their buying behavior. Culture is the system of values, traditions, and preferences that is handed down from one generation to the next. Because Maria's community values wealth, she is more likely to buy luxury products. This is an example of a cultural influence on her buying behavior, not a psychological, situational, or personal influence. Psychological influences have to do with a person's unique perception of the world. Situational influences are related to an individual's specific situation at the time. Personal influences include an individual's unique characteristics, such as their age, gender, stage of life, or occupation.

SOURCE: MK:014 Explain factors that influence customer/client/business buying behavior

SOURCE: LAP-MK-014—Cause and Effect (Buying Behavior)

76. C

Screening. Staffing is the management function of finding workers for the business. Staffing is an important function because employees do the work to accomplish the business's goals. Screening is a staffing activity that involves reviewing employment applications to determine which applicants have the skills that best fit the business's needs. Orienting is the process of familiarizing a new employee with the company. Training involves providing information or teaching skills that the employee needs to perform their job. Innovating is the process of generating unique ideas or products.

SOURCE: SM:065 Describe managerial considerations in staffing

SOURCE: Juneja, P. (2023). *Staffing process - Steps involved in staffing*. Retrieved August 4, 2023, from <https://www.managementstudyguide.com/staffing-process.htm>

77. D

Descriptive. Headings and subheadings are a useful part of research reports, but they must be descriptive of the content. Headings should not be lengthy; rather, they should be concise. Headings should not be vague, but instead should be clear and specific. Finally, headings should be parallel, rather than non-parallel.

SOURCE: CO:186 Write research reports

SOURCE: Victoria University of Wellington. (2017, April). *How to write a business report*. Retrieved August 4, 2023, from <https://www.wgtn.ac.nz/learning-teaching/support/approach/steps-to-teaching-success/resources/WSBG-report-writing-guide-2017.pdf>

78. B

Tracking customer information in a customer relationship management system. A customer relationship management system is technology that businesses use to keep track of customer information. It helps businesses contact customers and assist them as they interact with the business. Social media interactions, location-targeted digital advertisements, and digital coupons are forms of marketing communications, not knowledge management.

SOURCE: KM:003 Explain the use of technology in knowledge management

SOURCE: Document360. (2019, July 5). *The benefits of adopting knowledge management tools and technologies in your business*. Retrieved August 4, 2023, from <https://document360.com/blog/benefits-of-knowledge-management>

79. B

Initiative. Workers who show initiative are willing to act without having to be told to do so. They are willing to accept or seek additional duties, which often exceed their employers' expectations. Workers who are competent and show initiative are often promoted to positions that give them more responsibility. Although courage, self-confidence, and self-control are admirable qualities that often lead to career advancement, these traits are not related to accepting additional work and working without a lot of direction.

SOURCE: PD:035 Identify skills needed to enhance career progression

SOURCE: Indeed. (2023, February 3). *9 ways to take initiative at work*. Retrieved August 3, 2023, from <https://www.indeed.com/career-advice/career-development/ways-to-take-initiative-at-work>

80. A

Technology. In this example, the technology that was needed was too expensive for the company to purchase, so the manufacturing process had to be changed in response. This example demonstrates how technology can influence business process design, not regulations, human error, or social norms.

SOURCE: OP:475 Describe the factors that influence business process design

SOURCE: Taylor, H. (2017, September 26). *Factors that affect process design*. Retrieved August 4, 2023, from <https://bizfluent.com/list-7444011-factors-affect-process-design.html>

81. A

Logos, apps, and customer email lists. Assets are anything of value that a business owns, and digital assets are those that are kept electronically. This includes a variety of items: websites, social media accounts and posts, customer email lists, photographs and other imagery, logos, apps, blogs, subscriptions, etc. Property, cash, and machinery are examples of physical, not digital, assets.

SOURCE: OP:517 Comply with strategies for protecting business' digital assets (e.g., website, social media, email, etc.)

SOURCE: Murray, J. (2020, July 21). *How to protect your company's digital assets*. Retrieved August 4, 2023, from <https://www.thebalancemoney.com/how-to-protect-company-digital-assets-4153375>

82. B

Risk retention group. A risk retention group is a type of insurance company that is owned by its members—its policyholders. As the owner of the insurance company, a risk retention group retains and controls its liability rather than transferring its risks to another entity. Because the risk retention group retains control, it retains the profits that it generates. Risk retention groups are typically formed by similar businesses and industries and pay lower licensing fees than traditional insurance companies. Local insurance agencies are not owned by their policyholders. Insurance brokers deal with many insurance carriers/products to meet the needs of their clients. An insurance underwriting association is a professional association, which is a group of individuals who work in the same profession.

SOURCE: RM:043 Discuss legal considerations affecting risk management

SOURCE: Kagan, J. (2021, June 26). *Risk retention group (RRG): Meaning, benefits, history*. Retrieved August 4, 2023, from <https://www.investopedia.com/terms/r/risk-retention-group-rrg.asp>

83. C

Plan efficient communication strategies. Change management is the process of implementing change at any level of a company where it is needed. A way in which effective change management benefits an individual is that it helps plan efficient communication strategies. Other benefits it has on the individual level are increased employee acceptance of change and improved morale, productivity, quality of work, cooperation, and collaboration. Benefits of change management on the organizational level are that it helps align existing resources within the company, contain costs associated with change, and anticipate challenges and respond efficiently.

SOURCE: SM:095 Explain the nature of change management

SOURCE: Connelly, M. (2008-2023). *Benefits of change management*. Retrieved August 4, 2023, from <https://www.change-management-coach.com/benefits-of-change-management.html>

84. B

Creates accountability. Monitoring projects keeps everyone on track. It makes sure you're hitting the key milestones. It also makes sure that everyone is doing their job to make the project run smoothly. Monitoring projects also helps you learn from experience, builds stronger relationships with stakeholders, and saves time and resources, but those benefits are not related to the given example.

SOURCE: OP:520 Monitor projects and take corrective actions

SOURCE: LAP-OP-520—Check Your (Project) Pulse (Monitoring Projects and Taking Corrective Actions)

85. D

Offer your email address if the caller needs additional information. By providing your email address, you create another line of communication for the caller in case they need additional information. Providing your email address is also a good way to indicate that you would like to end the call without being abrupt. While summarizing the key points made in the call can be helpful, it is unnecessary to list every point made. You are more likely to make small talk about a caller's day at the beginning of a call versus at the end. Waiting for the caller to speak can cause confusion, especially if you are leading the call.

SOURCE: CO:114 Handle telephone calls in a businesslike manner

SOURCE: Bucki, J. (2019, November 20). *How to end a business phone call*. Retrieved August 3, 2023, from <https://www.liveabout.com/end-phone-calls-professionally-2533712>

86. D

An employee's social media “brand” can impact the company's overall image. Employees are often the “face” of a company. As a result, anything that an employee posts on social media—positive or negative—can impact their company's overall brand. Employees who make negative comments about their company do not generate positive publicity; rather, negative comments usually generate negative publicity for the company. Employees of any size company should not be banned from having personal social media pages. However, they should be trained in proper social media etiquette so that they don't risk harming the company's reputation.

SOURCE: CO:205 Describe the impact of a person's social media brand on the achievement of organizational objectives

SOURCE: McLachlan, S. (2022, November 30). *How to create effective social media guidelines for your business*. Retrieved August 3, 2023, from <https://blog.hootsuite.com/social-media-guidelines/>

87. A

Safety regulations. Employees have the right to work in a safe environment. To ensure that businesses protect this right, the government regulates certain business activities. For example, the government might require businesses to inspect dangerous equipment at certain intervals to ensure that it is operating correctly. Equipment that is not maintained properly is more likely to break and cause injuries to the employees who operate it. Privacy laws address consumers' right to privacy. Conservation ordinances are local regulations that address environmental issues. An organization's health policies are internal rules and guidelines, which may or may not be influenced by government regulations.

SOURCE: OP:004 Describe health and safety regulations in business

SOURCE: Nelson, N. (2020, November 10). *Government regulation of safety in the workplace*. Retrieved August 3, 2023, from <https://www.wolterskluwer.com/en/expert-insights/government-regulation-of-safety-in-the-workplace>

88. D

An employee's product knowledge. Intellectual capital includes the intangible assets of a business that give it value. Examples include employee knowledge and skills, relationships, intellectual property, systems, and more. An employee's knowledge of the product is valuable to a company. Sales revenue and a company's stocks are financial capital. Office computers are physical assets.

SOURCE: KM:002 Discuss the role of ethics in knowledge management

SOURCE: LAP-KM-002—Know What's Right (Ethics in Knowledge Management)

89. C

Consulted. ARCI stands for accountable (who is in charge of the process), responsible (who will carry out specific tasks), consulted (roles that need to be consulted before an action), and informed (who needs to be kept in the picture).

SOURCE: OP:474 Discuss business process thinking and its impact

SOURCE: Gyani, S. (2023, June 2). *Set your team up for success with the ARCI matrix*. Retrieved August 4, 2023, from <https://www.insightlopedia.com/articles/set-your-team-up-for-success-with-the-arcimatrix>

90. A

Avoid legal trouble. Businesses that are built on strong ethical principles are much less likely to find themselves in legal trouble down the road. Entrepreneurs who “cheat the system” when starting their businesses risk serious legal trouble in the future. Businesses that are run ethically are less likely to face lawsuits or drive away customers, not more likely. Ethical businesses are not necessarily more likely to go bankrupt than businesses that are run unethically.

SOURCE: EN:044 Describe the use of business ethics in entrepreneurship

SOURCE: LAP-EN-044—Ethical Excellence (Ethics in Entrepreneurship)

91. B

Manage debt. Paying off a loan early is one way a business can manage its debt. Analyzing financial information helps managers understand the different ways its debt can be managed. Paying off a loan early is not the same as increasing sales, making purchases, or creating budgets.

SOURCE: FI:579 Describe the need for financial information

SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)

92. D

Firewalls. Risk management is a business activity that involves the planning, controlling, preventing, and procedures to limit business losses. Businesses use technology to minimize security risks. One way that businesses control security risks is by installing firewalls on their computer networks. Firewalls are computer programs designed to prevent computer hackers from obtaining confidential financial data. A frame allows a computer user the ability to view more than one web page at a time in a single browser. Meta tags are HTML codes that display information about web pages. A site map is a flowchart that puts information on the Web in a logical format so that internet users can find what they are looking for.

SOURCE: RM:042 Describe the use of technology in risk management

SOURCE: Cisco. (2023). *What is a firewall?* Retrieved August 4, 2023, from <https://www.cisco.com/c/en/us/products/security/firewalls/what-is-a-firewall.html>

93. C

Profits encourage business owners to conserve resources. Profits encourage business owners to make their businesses more efficient so that they will make even more profits. Conserving resources is one way of being more efficient. Conservation of resources benefits society because it means more resources will be available for future consumers. All of the other alternatives are ways in which profits benefit businesses.

SOURCE: EC:010 Identify factors affecting a business's profit

SOURCE: LAP-EC-910—Risk Rewarded (Factors Affecting Profit)

94. A

They can manage their time efficiently. All employees have the capability and opportunity to manage their time efficiently, which can help a company control costs. Managers, not all employees, implement a department budget. Purchasing is often done by a department or certain individuals, not by all employees. A company's profit margin depends on many variables that are often out of employees' control.

SOURCE: OP:025 Explain employee's role in expense control

SOURCE: Mendoza, A.C. (2023, June 13). *Boosting business efficiency: Use cases for time & expense management automation*. Retrieved August 3, 2023, from <https://blog.data-basics.com/use-cases-time-expense-automation>

95. B

Scheduling. Scheduling involves setting time limits for the completion of work. If a project activity requires more time, then the project manager documents the change in the scheduling application of the software program. Desktop publishing software is used to lay out text and images to create a digital file that is suitable for desktop or commercial printing. Reporting applications summarize various types of data. Businesses use budgeting software to estimate their income and expenses.

SOURCE: NF:130 Utilize project-management software

SOURCE: BrightHub PM. (2022). *The best 5 project scheduling software - Review of free and paid options*. Retrieved August 4, 2023, from <https://www.brighthubpm.com/software-reviews-tips/2492-the-top-five-project-scheduling-software-programs>

96. B

Free cash flow. Free cash flow is cash that is left over after a company has paid its general operating expenses and capital expenditures. A high free cash flow indicates a financially healthy business that is able to expand, develop new products and services, and reduce its debt. Dividends are sums of money paid by a company to its shareholders out of its profits. A stock's value is simply a measure of what it is worth at a specific point in time. Limited cash flow would mean a company has very little cash moving in and out of the business.

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Investing Answers. (2020, September 29). *Free cash flow (FCF)*. Retrieved August 4, 2023, from <https://investinganswers.com/dictionary/f/free-cash-flow>

97. B

Organize teams to run tasks concurrently. Fast-tracking is a process in which team members complete tasks concurrently, focusing on them simultaneously rather than sequentially. The manager should not refrain from changes because changes might be necessary to fast-track a project. Adding additional human resources is a different process known as crashing. Finally, to fast-track a project, a manager might have to decrease their central oversight, rather than increasing it.

SOURCE: PJ:010 Manage project schedule

SOURCE: Lister, J. (2019). *How can fast tracking affect a project?* Retrieved August 4, 2023, from <https://smallbusiness.chron.com/can-fast-tracking-affect-project-32112.html>

98. A

Imagination. Creativity is based upon imagination and original thought. In fact, the terms creativity and imagination are often used as synonyms. Dependability, patience, and orderliness are not necessarily correlated with the trait of creativity.

SOURCE: PD:012 Demonstrate appropriate creativity

SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

99. A

Possible objections. The purpose of a persuasive letter is to convey information that encourages the reader to take a specific course of action. For example, the purpose of a sales letter is to motivate a person to buy a particular product. An objection is a reason for not taking a specific course of action. When developing persuasive messages, it is important for the writers to think about the readers' possible objections and acknowledge them. By acknowledging the objections and providing a rationale that removes the objections, the writers better position themselves in persuading the readers to take specific actions. Because each reader has different personal images and decision-making styles, it is not feasible for the writer to consider these factors if the letter is going to a lot of people. The readers' nonverbal cues cannot be seen when writing persuasive messages.

SOURCE: CO:031 Write persuasive messages

SOURCE: Richards, L. (2023). *Persuasive & effective business communication*. Retrieved August 3, 2023, from <https://smallbusiness.chron.com/executive-communication-techniques-810.html>

100. B

Trend analysis. Analytical reports are reports that evaluate a particular issue and recommend an action for addressing the issue. Businesses often use analytical reports to perform market, trend, operations, and financial analysis. Trend analysis involves researching consumer preferences, technological developments, and demographic trends to identify growth opportunities or ways to increase sales. Market analysis helps businesses better understand their target markets, market conditions, and competition. Operations analysis involves evaluating ways in which companies can increase productivity and efficiency. Financial analysis helps companies address positive and negative variances.

SOURCE: CO:185 Write analytical reports (i.e., reports that examine a problem/issue and recommend an action)

SOURCE: Christiansen, L. (2020, August 7). *What's an analytical report- Its purpose and how to use it*. Retrieved August 4, 2023, from <https://zipreporting.com/analytical-report/what-is-analytical-report.html>