Hospitality and Tourism Cluster Exam

INSTRUCTIONS: This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have _____ minutes to complete all questions.

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This comprehensive exam was developed by the MBA*Research* Center exclusively for DECA's 2017-2018 Competitive Events Program. Items have been randomly selected from the MBA*Research* Test-Item Bank and represent a variety of instructional areas. Performance indicators for this exam are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided the DECA chartered association advisor.

1. What is a common consequence that comes with a civil lawsuit?
    A. Paying a fine
    B. Serving time in prison
    C. Performing community service
    D. Attending counseling sessions

2. The goal of many governmental agencies is to protect the
    A. barriers to trade.
    B. rights of business.
    C. target market.
    D. monetary policy.

3. From a legal standpoint, hospitality and tourism customers have the right to expect businesses in this industry to take
    A. total responsibility for accidents.
    B. no risks.
    C. insurance out of each customer.
    D. reasonable care.

4. Your class has a presentation from a guest speaker. Which of the following behaviors is most likely to help you support the speaker and demonstrate your interest in the presentation:
    A. Whisper any comments you need to make to your classmates.
    B. Take notes of the speaker's most important comments.
    C. Avoid asking the presenter any questions.
    D. Silence the ringer on your smartphone.

5. A client who is resistant to your sales pitch might show his/her defensiveness by
    A. making eye contact.
    B. smiling.
    C. crossing his/her arms.
    D. nodding her/his head.

6. Which of the following is a characteristic of effective oral presentations:
    A. Gathers information
    B. Attracts attention
    C. Identifies conflict
    D. Provides discussion

7. Which of the following visual aids is often used to clearly illustrate a company's sales by region:
    A. Venn diagram
    B. Organizational chart
    C. Flowchart
    D. Geographical map

8. What is the best way for an employee to obtain product specifications for a piece of office equipment?
    A. Develop a cost/benefit analysis
    B. Submit a quotation to management
    C. Write a product review
    D. Send a letter of inquiry to the vendor

9. When writing an executive summary, be sure that you
    A. make the summary at least 1/10th as long as the full report.
    B. use as much business jargon as possible.
    C. target people who don't have time to read the full report.
    D. include every point from the full report.

10. What is usually the tone of a simple written report?
    A. Dramatic
    B. Solemn
    C. Informal
    D. Imprecise

11. Jenna is a social media coordinator for a boutique hotel. What is one task she should be sure to do every day?
    A. Add 1,000 new followers
    B. Respond to customer inquiries
    C. Engage with community influencers
    D. Define her target audience

12. What is one of the benefits to a business of reinforcing service orientation through communication?
    A. Rewards customers for their support
    B. Promotes the sale of new products
    C. Builds positive relationships with customers
    D. Encourages employees to be aggressive

13. A customer complained about the new toaster she had purchased because, even on the lowest setting, it burned the toast. This kind of complaint is caused by the
    A. wholesaler.
    B. manufacturer.
    C. retailer.
    D. salesperson.

14. The executives of an airline recently determined that the cost of their extensive employee training program was too high and decided to terminate the program. What is a possible consequence of this decision?
    A. Stronger financial standing
    B. Increased number of repeat customers
    C. Decreased quality of customer service
    D. More focus on efficiency

15. When Izzy spilled lemonade in a customer's lap, she apologized and brought out another lemonade to replace it. The customer was still unhappy and told Izzy that he wouldn't be returning to the restaurant. What could Izzy have done to recover in this situation?
    A. Offered the customer a restaurant gift card
    B. Explained to the customer why he was being unreasonable
    C. Avoided the customer and sent out a different server
    D. Offered the customer an iced tea instead

16. Which of the following is a true statement regarding the relationship between customer service and the hospitality and tourism industry:
    A. Customer service is important, but less so than price.
    B. Business success or failure depends on customer service.
    C. Customer service cannot be taught through training.
    D. Greater customer satisfaction leads to lower revenue.

17. Tariq works at the front desk of a hotel. He tries to keep customers happy, but he finds it difficult to do so because his company does not have strong policies in place to handle issues. Tariq's customer service practices are affected by
    A. organizational culture.
    B. his extraverted personality.
    C. local competition.
    D. customer loyalty.

18. Due to bad weather, Clear Skies Airline had to cancel an international flight. How can Clear Skies Airline best deliver a positive moment of truth in this situation?
    - A. Apologize profusely to customers who are upset
    - B. Clearly explain the situation to anyone who has questions
    - C. Send a customer satisfaction survey to determine future improvements
    - D. Provide complimentary hotel rooms and food for stranded passengers

19. The manager of the Majesty Resort just quit in the middle of summer vacation season. She told the owner that she felt too overwhelmed by all of the work she had to do. The owner of the Majesty Resort should have
    - A. closed down the resort during peaks in demand.
    - B. hired a more responsible manager.
    - C. convinced the manager to stay.
    - D. increased staffing for peaks in demand.

20. Which of the following is an example of using social media to enhance a customer's post-sale experience:
    - A. Offering discounts for first-time customers
    - B. Posting about the release of a product line
    - C. Obtaining new followers that could make a purchase
    - D. Responding to negative and positive online reviews

21. Into what two categories can wants be divided?
    - A. Unlimited and noneconomic
    - B. Unlimited and economics
    - C. Unlimited and limited
    - D. Economic and noneconomic

22. A Vermont ski shop has not yet received its November shipment of ski supplies. Since the holiday rush is only days away, you would expect prices of existing stock to
    - A. fluctuate.
    - B. decrease.
    - C. remain the same.
    - D. increase.

23. A manufacturing company is well-suited for a divisional organizational structure broken down by
    - A. Process
    - B. Job function
    - C. Customer type
    - D. Product

24. To develop new products that accommodate changing markets, a business should
    - A. adopt a laissez-faire organizational structure.
    - B. implement innovative management practices.
    - C. develop licensing programs with business partners.
    - D. review its profit margins on a continuous basis.

25. Larry's Pro Shop sold $583,000 in merchandise during the year. He paid out $259,000 for equipment, salaries, and utilities. His company had $100,000 left over after taxes. The company's _____ was $224,000.
    - A. gross profit
    - B. cost of merchandise
    - C. annual income
    - D. net profit

26. Why should productivity be measured?
    A. To locate new sources of inputs
    B. To find new ways to meet customer needs
    C. To determine the best ways to invest company profits
    D. To see whether the business's objectives are being met

27. Which of the following is a typical result of price instability:
    A. Long-term government projects are easier to arrange.
    B. Wealth is redistributed in a way that is often productive to the economy.
    C. It becomes difficult for consumers to plan ahead.
    D. Businesses often hire more employees.

28. What is an important social and cultural factor that has an impact on global trade?
    A. Technology
    B. Language
    C. Politics
    D. Economics

29. Assuming that all people of a certain nationality will work long hours for low pay is an example of
    A. stereotyping.
    B. discrimination.
    C. prejudice.
    D. harassment.

30. Which of the following behaviors is often associated with effective hospitality and tourism managers:
    A. Being critical of others
    B. Discouraging dissent
    C. Questioning employees' motives
    D. Exhibiting self-control

31. One of the ways that responsible employees benefit the business is that they
    A. require more company rules.
    B. require less supervision.
    C. do not demand raises or promotions.
    D. know how to do incorrect work over.

32. An individual who lives by an established set of personal ethics is said to have
    A. intelligence.
    B. apathy.
    C. bravery.
    D. integrity.

33. Communicating with others is a good way to demonstrate fairness because it
    A. prevents bias from affecting decision-making.
    B. allows everyone to have a fair chance to be heard.
    C. promotes the equality approach to fairness.
    D. allows you to ignore critical feedback.

34. What is the first step you should take when resolving an ethical dilemma?
    A. Figure out who's affected.
    B. Identify the dilemma.
    C. Consider all your potential actions.
    D. Reflect on the outcome.

35. Which of the following comments by a supervisor is an example of destructive criticism:
    A. "Try both methods and decide which works better."
    B. "You must be stupid if you don't know how to do that by now."
    C. "I would prefer that you do the job this way."
    D. "If you try to work when you have such a cold, you may give it to customers."

36. One of the reasons that people sometimes fail to exhibit assertive behavior is because they
    A. have a high level of self-esteem.
    B. have personal goals they want to meet.
    C. want to avoid any conflict.
    D. want others to respect their rights.

37. For several months, June has felt very tired at work. She has a hard time focusing on her job, is often irritated at her coworkers, and has turned in several late assignments. At home, June feels considerably better. June is experiencing
    A. organizational change.
    B. employee stress.
    C. employee turnover.
    D. employee burnout.

38. Important considerations when identifying your personal vision are your
    A. values and aspirations.
    B. skills and natural resources.
    C. specific goals and income.
    D. logic and emotions.

39. Maggie owns an auto repair business. She'd like to be the best auto repair shop in the city. Is this a goal or a vision?
    A. A goal. It's long term, overarching, and inspirational.
    B. A vision. It's specific, measurable, and time bound.
    C. A vision. It's long term, overarching, and inspirational.
    D. A goal. It's specific, measurable, and time bound.

40. Being a good listener is an example of what type of behavior that builds positive working relationships?
    A. Being cooperative
    B. Carrying your own weight
    C. Maintaining distance from others
    D. Having a good attitude

41. Which of the following is an example of entrepreneurship:
    A. Raul invests his money in the stock market.
    B. Wesley starts working for his mother's accounting firm.
    C. Elissa starts a company when she develops a new app.
    D. Penelope asks her boss for a pay raise.

42. Iris buys an expensive new car using installment credit. Although the _____ for the car is made out in her name, the company that sold the car has a _____ on it until Iris makes all the installment payments.
    A. title; lien
    B. title; principal
    C. principal; lien
    D. interest; principal

43. Chandra wants to develop a personal budget. What is the first step she should take?
    A. Establishing her goals
    B. Estimating her income
    C. Determining regular expenditures
    D. Allocating income

44. Individuals have the right to provide additional information about their income status and payment history when
    A. estimating their tax liability.
    B. opening a checking account.
    C. validating their credit history.
    D. hiring a financial planner.

45. What type of insurance do you need to purchase if you want to ensure that your beneficiaries receive an inheritance?
    A. Long-term care insurance
    B. Term life insurance
    C. Disability insurance
    D. Universal life insurance

46. To be useful to businesses, financial information should be
    A. vague and transferable.
    B. reliable and creative.
    C. timely and understandable.
    D. sensitive and logical.

47. A business's balance sheet lists $2,500 in cash, $6,125 in accounts receivable, $3,775 in inventory, $10,350 in machinery and equipment, and $4,280 in accounts payable. Calculate the business's total assets.
    A. $22,750
    B. $18,470
    C. $15,225
    D. $27,030

48. A business comparing the monthly bank statement with the entries in its checkbook is an example of a(n)
    A. break-even analysis.
    B. accounts-payable system.
    C. money-handling technique.
    D. cash-control procedure.

49. How does the finance function relate to company spending?
    A. It produces reports about spending.
    B. It plans and controls spending.
    C. It spends on investment only.
    D. It does not relate to spending.

50. Why do many companies set a floor limit specifying a maximum amount a customer is allowed to charge to a credit card?
    A. To increase the amount of sales
    B. To protect the company against fraud
    C. To encourage the use of credit cards
    D. To prevent fraud from occurring

51. Which of the following is an example of ethical behavior in human resources management:
    A. Judging an employee on the basis of work performance
    B. Promoting an employee on the basis of friendship
    C. Hiring an applicant on the basis of gender
    D. Interviewing an applicant on the basis of appearance

52. A company manager recognizes that an employee only delegates tasks to people of a certain race.
    Which of the following is likely to be the most effective manner for the manager to deal with this situation:
    A. Ignore the behavior until the employee learns better
    B. Privately address the behavior directly with the employee
    C. Fire the employee for demonstrating a biased preference
    D. Personally demonstrate unbiased behavior toward employees

53. You look up to your older brother and his group of friends. Sometimes, what they buy influences what you buy. This is an example of a
    A. membership group.
    B. reference group.
    C. psychological influence.
    D. situational influence.

54. Before producing and selling a product, which of the following should marketers do first:
    A. Identify the market for the product
    B. Select a channel of distribution
    C. Set up a promotional plan
    D. Determine the product's price

55. Simon is creating a report for his boss and comes across a passage he wants to use in the report: "Time stands still for nobody, and yet we all think it revolves around us." He changes the passage to "We all think time revolves around us, but it doesn't stand still for anybody" and references the source in the document. Simon is
    A. quoting.
    B. paraphrasing.
    C. summarizing.
    D. plagiarizing.

56. Cocoa Bean Coffee Café posts the following statement on its website: "Cocoa Bean Coffee Café does not share its customers' names, email addresses, and telephone numbers with others without obtaining customers' consent." This is an example of a business exhibiting _____ behavior in relation to _____.
    A. cautious; product promotion
    B. ethical; information management
    C. questionable; marketing research
    D. judicious; production procedures

57. Which of the following is an example of a business using technology to improve the efficiency of its salespeople:
    A. Accepting debit transactions
    B. Providing laptops, tablets, and smartphones
    C. Providing a week of in-person training
    D. Installing security cameras

58. What is the primary function of the Random Access Memory (RAM) component of a computer?
    A. Reads the computer code that provide visual effects
    B. Serves as a temporary holding area for files and programs
    C. Stores data and programs permanently
    D. Enables the user to apply point-and-click commands

59. Why do many businesses store information in a computerized database?
    A. To transmit documents
    B. To communicate with vendors
    C. To maintain client lists
    D. To monitor economic trends

60. To increase efficiency among channel members, which type of software allows for the secure transfer of information via the Internet:
    A. Intranet system
    B. Virtual private network
    C. Internet service provider
    D. Client network

61. When marketing researchers review the level of affiliation between two variables, they are evaluating the _____ of data components.
    A. affirmation
    B. predictability
    C. sensitivity
    D. correlation

62. To perform a proper data analysis, the researcher should be
    A. judgmental.
    B. untrained.
    C. unbiased.
    D. inconsistent.

63. Which of the following is an example of a current trend in business:
    A. Expanding economic growth
    B. Protecting consumer privacy
    C. Developing market research
    D. Promoting private enterprise

64. Which of the following data collection methods would best measure actual repeat business:
    A. Collecting data on product purchases from loyalty programs
    B. Tracking cookies from customers' web browsing activity
    C. Collecting personal information from online registrations
    D. Surveying customers about their recent store experiences

65. If a company wants to promote specific products to previous customers, what would be the best way for it to obtain the necessary data for a mailing list?
    A. By reviewing its marketing research plans
    B. By purchasing information from competitors
    C. By purchasing data from outside researchers
    D. By searching its own customer database

66. If a hotel is trying to predict future revenue generated for hotel bookings, which of the following sources of secondary data would be most useful:
    A. Previous fulfilled hotel reservations
    B. Frequent guests' personal income data
    C. Guest surveys about future travel plans
    D. Guest surveys on service quality

67. Before creating a media presentation, you should first plan the text and illustrations for the presentation by
    A. developing a schedule.
    B. creating a storyboard.
    C. creating the needed slides.
    D. planning slide transitions.

68. As a result of increasing competition, many segments of the hospitality industry are emphasizing promotional efforts to focus on
    A. technology.
    B. place.
    C. service.
    D. price.

69. Darryl works in purchasing and is currently accepting bids for an upcoming project. What is an ethical issue he may encounter during this process?
    A. Noncompliance with safety regulations
    B. Violation of company Internet policies
    C. Employee theft
    D. Bribery

70. It is appropriate for an employee to report his/her employer's noncompliance with health and safety regulations when
    A. a coworker blocks the fire escape route with boxes of old files.
    B. the housekeeping staff disposes of the company's hazardous materials.
    C. the employer does not take steps to correct the issue.
    D. a vendor does not have a ventilation system that meets code.

71. What might businesses lose if their employees are injured on the job and are unable to work?
    A. Assets
    B. Benefits
    C. Sales
    D. Goods

72. Luke is a purchasing department employee who must complete his inventory report by 4:00 p.m. on Tuesday. He must also collect bids and place orders for staple items by Wednesday at noon. Because Luke knows that it will take a while to obtain the bids, he decides to start contacting vendors before he begins working on his inventory report. Luke is _____ his workload.
    A. simplifying
    B. delegating
    C. communicating
    D. prioritizing

73. Which of the following is a true statement about a project plan:
    A. It emphasizes flexibility over strategy.
    B. It is not necessary for every project.
    C. It is a roadmap.
    D. It is "set in stone"—unchanging.

74. Project managers usually evaluate project results by
    A. setting long-term goals for the project.
    B. comparing project standards with actual performance.
    C. conducting external data searches.
    D. developing complex diagrams.

75. Because a normally stocked item is backordered and a customer needs to get the item as soon as possible, Barston Distributors asks its vendor to ship the item directly to the customer when it is available. What type of purchase order does this exemplify?
    A. Advance placement
    B. Open
    C. Standing
    D. Drop shipment

76. During certain times of the year, Sparkle Janitorial Supply Company keeps extra mop buckets and cleaning carts on hand to avoid customer backorders. What type of inventory is the company maintaining?
    A. Buffer
    B. Manufacturing
    C. Aggregate
    D. Just-in-time

77. How can a business sell more goods to increase profit quickly, but do so without increasing expenses?
    A. Set lower prices
    B. Purchase extra stock
    C. Hire additional staff
    D. Plan special events

78. The primary reason for a business to carefully track all of its vendors' invoices is to
    A. monitor and control expenses.
    B. confirm the accounts receivable.
    C. evaluate the vendors' performance.
    D. check for tax discrepancies.

79. Akua is in charge of supervising the entire process of getting products into the marketplace, otherwise known as the flow of goods. Akua's job title is most likely
    A. Supply Chain Manager.
    B. Line Supervisor.
    C. Chief Financial Officer.
    D. Inventory Manager.

80. To help maintain a secure work environment, a large amusement park is likely to require all of its employees to
    A. present their photo identification cards when they report for work.
    B. wear their uniforms when they pick up their paychecks.
    C. participate in diversity training programs on an annual basis.
    D. provide the guests with electronic key cards to access park attractions.

81. Emergency procedures that involve escape and evacuation because of fire or natural disasters usually include plans for identifying
    A. relatives of passengers.
    B. travelers with disabilities.
    C. hazardous materials.
    D. suspicious activities.

82. What activity are Nikki and Josh performing when they read over a scenario and then act out the parts in a training class?
    A. Meditation
    B. Brainstorming
    C. Role-playing
    D. Experimenting

83. Employees have the right to
    A. not be fired.
    B. form unions.
    C. view all human resources files.
    D. unrestricted Internet access.

84. Some job application forms ask why the applicant left a previous job. Which of the following would be an acceptable answer to this question:
    A. "I was expected to do too much work."
    B. "I was seeking a job with more responsibility."
    C. "I couldn't get along with my supervisor."
    D. "I wanted to get out of a difficult situation."

85. Participating in school-operated programs such as the school store or library is one way that students might obtain
    A. college information.
    B. additional education.
    C. work experience.
    D. job approval.

86. A local chamber of commerce plans a street festival to appeal to community members and business owners. This is an example of which of the following membership benefits of a business alliance organization:
    A. Participation in trade shows
    B. Group services
    C. Establishment of standards
    D. Sales promotion events

87. A primary reason hospitality employees and businesses join professional or trade organizations is to
    A. obtain further education and certification.
    B. develop promotional efforts and materials.
    C. qualify for additional government funding.
    D. increase employee productivity.

88. What is the typical effect of an economic slowdown on the hospitality industry?
    A. A decrease in the number of guests and a decrease in the number of rooms available
    B. An increase in the number of guests and a decrease in the number of rooms available
    C. A decrease in the number of guests and an increase in the number of rooms available
    D. An increase in the number of guests and an increase in the number of rooms available

89. A new airline offers much lower fares than its competitors to attract potential travelers. This is an example of
    A. penetration pricing.
    B. psychological pricing.
    C. price lining.
    D. price skimming.

90. Which of the following areas of product/service management is important in attracting customers and in protecting products:
    A. Packaging
    B. Concept testing
    C. Labeling
    D. Idea generation

91. The manufacturer of a defective clock refused to honor the clock's guarantee and give the customer a refund. The customer's right to demand satisfaction from the clock manufacturer is known as
    A. legal recourse.
    B. a guarantee.
    C. a warranty.
    D. liability lawsuit.

92. A company that reevaluates a brand's characteristics, quality, and benefits in order to change the image of the brand is _____ the brand.
    A. licensing
    B. extending
    C. repositioning
    D. positioning

93. Which of the following examples illustrates the concept of product in the hospitality industry:
    A. A bed and breakfast advertising private baths and a fireplace in each room
    B. A conference center making reservations at other properties
    C. A resort promoting that it treats guests like family
    D. A cruise ship providing a list of rental car agencies located at ports-of-call

94. Some properties make it easier for guests to get to and from their destinations by providing _____ services.
    A. valet
    B. shuttle
    C. concierge
    D. bell staff

95. One of the reasons that direct mail is frequently used as a promotional method by hotels/motels is that
    A. direct mail is inexpensive.
    B. direct mail is impersonal.
    C. hotels/motels focus on having guests return.
    D. hotels/motels usually keep guest history records.

96. Quality management must begin at which level of a company?
    A. Organizational
    B. Process
    C. Job/Performance
    D. Departmental

97. Risk managers often use computerized catastrophe modeling to estimate the losses that their company could suffer as a result of
    A. hurricanes, earthquakes, and terrorist attacks.
    B. hurricanes, embezzlement, and terrorist attacks.
    C. robberies, embezzlement, and terrorist attacks.
    D. robberies, embezzlement, and sexual harassment claims.

98. When processing a room reservation by telephone, the hotel reservationist should provide the guest with a(n)
    A. policy reference number at the end of the call.
    B. daily transaction code at the beginning of the call.
    C. confirmation number at the end of the call.
    D. arrival identification code at the beginning of the call.

99. A customer hands a cashier a coupon for 20% off the price of a CD player. If the retail price of the CD player is $180, what is the price of the item after processing the coupon?
    A. $144
    B. $140
    C. $156
    D. $168

100. Which of the following is the process that involves bringing together the resources that are needed in the production of goods or services:
    A. Economizing
    B. Management
    C. Research
    D. Marketing

1. A
   Paying a fine. Punishments for civil injuries or damages, such as a breach of contract, are usually financial. Fines differ in amount depending on the situation. Serving time in prison, performing community service, and attending counseling sessions are more likely to be consequences for a criminal offense.
   SOURCE: BL:163
   SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

2. B
   Rights of business. Many governmental agencies are responsible for enforcing rules and regulations that are intended to protect the rights of businesses. Some of these agencies help to keep the marketplace competitive and protect businesses' trade secrets and formulas from being stolen. The agencies often develop a strong relationship with businesses in the process of protecting their rights. Governmental agencies do not protect the barriers to trade, the target market, or the monetary policy.
   SOURCE: BL:072
   SOURCE: Holt, M. (2010, June 11). *Five areas of government regulation of business.* Retrieved September 12, 2017, from http://smallbusiness.chron.com/five-areas-government-regulation-business-701.htmlHo

3. D
   Reasonable care. When hospitality and tourism businesses act in a way that a reasonable hospitality and tourism business would have acted, the business exhibits reasonable care. If hospitality and tourism businesses can prove that they acted with reasonable care, they are not fined by the courts. Otherwise, the courts can find them guilty of negligence, and they would be charged a fine. It's not possible for hospitality and tourism businesses to avoid all risks. There is always the chance that something bad can happen. Hospitality and tourism businesses are not insurers of their customers nor do they take out insurance on each customer. Instead, they take out liability insurance that transfers risk to an insurance company. Hospitality and tourism businesses act so that they limit their responsibility for accidents.
   SOURCE: BL:135
   SOURCE: Jefferies, J.P., & Brown, B. (2010). *Understanding hospitality law* (5th ed.) [pp. 139-141]. Lansing, MI: American Hotel & Lodging Educational Institute.

4. B
   Take notes of the speaker's most important comments. It's essential to be attentive when watching a presentation. Pay attention and take notes if necessary. You should avoid talking to your classmates during a presentation, even if you are whispering. You should contribute to the presentation if the presenter wants you to; this includes asking questions when they are called for. Although it is important to silence your smartphone during presentations, there are other more impactful ways to support the guest speaker, such as by taking notes of his/her most important comments.
   SOURCE: CO:082
   SOURCE: Free Power Point Templates. (2012, October 1). *Taking notes during a PowerPoint presentation.* Retrieved September 12, 2017 from http://www.free-power-point-templates.com/articles/taking-notes-during-a-powerpoint-presentation/

5. C
   Crossing his/her arms. Crossed arms are a gesture that commonly shows resistance or defensiveness. Smiling, making eye contact, and nodding are all gestures that indicate openness and positivity.
   SOURCE: CO:059
   SOURCE: MindTools. (1996-2017). *Body language.* Retrieved September 12, 2017, from https://www.mindtools.com/pages/article/Body_Language.htm

6. B
   Attracts attention. An effective oral presentation immediately attracts the attention of the audience and keeps the listeners focused on the message. There are several ways that a person can begin a presentation in order to attract attention. Some examples include asking a question, offering something for free, or making a surprising announcement. People usually gather information and identify possible conflicts before developing an oral presentation. Not all presentations provide a time for discussion.
   SOURCE: CO:025
   SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

7. D
   Geographical map. Graphics typically add interest and make information easier to understand. Maps are often appropriate graphics to use when the topic at hand relates to geographical regions. Each region depicted on the map may be color-coded by the range of sales generated to support and clarify the sales data presented in a report. A flowchart presents a visual depiction of activities or processes in sequential order. An example of a flowchart is an organizational chart, which depicts the hierarchy of positions and departments within an organization. A Venn diagram indicates the overlapping relationships among finite sets of data.
   SOURCE: CO:087
   SOURCE: Saylor Academy. (2012). *Types of presentation aids.* Retrieved September 12, 2017, from https://saylordotorg.github.io/text_stand-up-speak-out-the-practice-and-ethics-of-public-speaking/s18-02-types-of-presentation-aids.html

8. D
   Send a letter of inquiry to the vendor. Businesspeople write letters of inquiry to ask for information. Because the employee wants product specifications about equipment, s/he is most likely to get the needed information from the vendor or manufacturer. Submitting a quotation to management, writing a product review, and developing a cost/benefit analysis will not help the employee get the desired product information.
   SOURCE: CO:040
   SOURCE: eHow.com. (2017, April 17). *How to write an inquiry letter.* Retrieved September 12, 2017, from http://www.ehow.com/how_2048859_write-inquiry-letter.html

9. C
   Target people who don't have time to read the full report. Executive summaries are written for people who don't have the time (or inclination) to read the full report. You should avoid using business jargon—instead, write as clearly and simply as possible. The summary should be no more than 1/10th the length of the full report. You do not need to include every point in your summary; instead, just cover the major points.
   SOURCE: CO:091
   SOURCE: Bird, B. (2017, April 17). *How to write an executive summary*. Retrieved September 12, 2017, from http://www.ehow.com/how_16566_write-executive-summary.html

10. C
    Informal. Simple written reports are usually informal and friendly in tone. They are intended to transmit information to business colleagues on a less formal basis than is used in complex written reports. Many simple reports take the form of internal memorandums, which are friendly and informal in tone. Complex written reports may be solemn in tone. Written reports should not be overly dramatic, and they should never be imprecise.
    SOURCE: CO:094
    SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 453]. Tinley Park, IL: The Goodheart-Willcox Co.

11. B
Respond to customer inquiries. On a daily basis, companies should use their social platforms to respond to any customer inquiries that they receive. This helps to build a strong reputation and build customer relationships. While it would be great for Jenna to add 1,000 new followers every day, that might not be realistic, especially for a small boutique hotel. Engaging with community influencers is a strong social media strategy, but Jenna does not necessarily need to do so every day. Finally, defining a target audience is important, but it does not need to happen on a daily basis.
SOURCE: CO:193
SOURCE: Lee, K. (2017, June 23). *The social media manager's daily, weekly, monthly checklist.* Retrieved September 11, 2017, from https://blog.bufferapp.com/daily-social-media-checklist

12. C
Builds positive relationships with customers. A service orientation is the business philosophy of providing quality service. One way to do this is to communicate effectively with customers so they trust the business. The benefit of creating trust by providing accurate and credible information is that it tends to build positive relationships with customers. Customers often remain loyal to a business if they have confidence that the business will treat them well and provide quality service. The purpose of reinforcing service orientation through communication is not to promote the sale of new products, reward customers for their support, or encourage employees to be aggressive.
SOURCE: CR:005
SOURCE: Ross, G. (1999-2017). *Three communication tips to help maintain customer loyalty.* Retrieved September 12, 2017, from https://www.allbusiness.com/three-communication-tips-to-help-maintain-customer-loyalty-2-6789119-1.html

13. B
Manufacturer. The manufacturer of the toaster did not ensure that it worked properly. Justified customer complaints result when manufacturers have not properly produced, designed, or labeled their products. Such problems are not the fault of the wholesaler who buys them from the manufacturer and sells them to the retailer, or of the salesperson who sells them to customers.
SOURCE: CR:010
SOURCE: LAP-CR-010—Righting Wrongs (Handling Customer Complaints)

14. C
Decreased quality of customer service. The costs of customer service training programs are a challenge for the hospitality and tourism industry, especially with high turnover rates. However, training is essential to customer service, and without it, quality is sure to suffer. Terminating a customer service training program is not likely to lead to an increased number of repeat customers, stronger financial standing, or more focus on efficiency.
SOURCE: CR:043
SOURCE: Freeman, R., & Glazer, K. (2015). *Chapter 9: Customer service.* Retrieved September 11, 2017, from https://opentextbc.ca/introtourism/chapter/chapter-9-customer-service

15. A
Offered the customer a restaurant gift card. One of the ways to recover from a negative experience with a customer is to make amends to the customer. Doing so can help encourage the customer to return to your business, even if s/he had an issue. Offering a restaurant gift card is a great way to do this because it not only makes the customer feel heard and respected, but it also gives him/her a reason to come back. Izzy should not have explained to the customer why he was being unreasonable because this might have further upset him. Avoiding the customer and sending out a different server would not necessarily help improve the customer's experience. Finally, offering the customer an iced tea instead of a lemonade would not necessarily help because the customer did not have an issue with the lemonade itself.
SOURCE: CR:045
SOURCE: Baird Group. (2017). *Service recovery: 5 steps for making things right.* Retrieved September 11, 2017, from http://baird-group.com/articles/service-recovery-5-steps-for-making-things-right

16. B
Business success or failure depends on customer service. In the hospitality and tourism industry, success or failure depends on the level and quality of customer service. Customer satisfaction is heavily influenced by service, and the greater the customer satisfaction, the higher the revenues for the business. Customer service has a greater impact than price when it comes to a customer's buying decision in this industry. Also, customer service can be taught through employee training programs; in fact, training is a crucial tool when it comes to ensuring high-quality customer service.
SOURCE: CR:049
SOURCE: Freeman, R., & Glazer, K. (2015). *Chapter 9: Customer service.* Retrieved September 12, 2017, from https://opentextbc.ca/introtourism/chapter/chapter-9-customer-service

17. A
Organizational culture. The company for which Tariq works does not have a customer service orientation at the organizational level. Therefore, although Tariq has an individual commitment to customer service, he is unable to adequately provide it. There is no indication that Tariq's customer service practices are affected by his extraverted personality, local competition, or customer loyalty.
SOURCE: CR:051
SOURCE: Van Vulpen, E. (2017, April 29). *How 11 factors influence customer service performance.* Retrieved September 12, 2017, from https://www.analyticsinhr.com/blog/factors-influencing-customer-service-performance

18. D
Provide complimentary hotel rooms and food for stranded passengers. A moment of truth is an interaction during which a customer can form a lasting positive or negative impression of your company. Clear Skies Airline can make the most of challenging circumstances by accommodating stranded passengers with free hotel rooms and food. This is likely to leave the customers with a positive impression of the brand. Clearly explaining the situation to anyone who has questions and apologizing profusely to customers who are upset could help. However, these tactics likely would not be enough to deliver a positive moment of truth in such a difficult situation. Customer satisfaction surveys often do not provide moments of truth because they can be misleading, disingenuous, and do nothing to help create an impression in the moment.
SOURCE: CR:055
SOURCE: Hyken, S. (2014, November 25). *Manage your customer service Moments of Truth and create Moments of Magic ®.* Retrieved September 12, 2017, from https://www.forbes.com/sites/shephyken/2014/11/25/manage-your-customer-service-moments-of-truth-and-create-moments-of-magic/#234953ce4e3e

19. D
Increased staffing for peaks in demand. Employee turnover can become a problem during peaks in demand, when employees (such as the manager in this example) become overworked and stressed. This issue could have been avoided by increasing staffing to meet demand. Hiring a more responsible manager might not necessarily help because there still might not be enough staff to handle the demands of the busiest seasons. Convincing the manager to stay would also not help with the excessive demand unless other staff members were hired to help as well. Closing down the resort during peaks in demand is not a good idea; the resort would lose revenue and would likely struggle to stay in business.
SOURCE: CR:038
SOURCE: RoomkeyPMS. (2016, October 4). *Staffing strategies for peak and off-seasons.* Retrieved September 11, 2017, from https://roomkeypms.com/blog/staffing-strategies-peak-off-seasons

20. D
Responding to negative and positive online reviews. Online reviews of products on social media can have a huge impact. A business can increase customer satisfaction post-sale by responding to online reviews. This shows that the business cares about its customers and can lead to repeat business. Posting about the release of a product line, obtaining new followers that could make a purchase, and offering discounts for first-time customers are not related to customers' post-sale experiences.
SOURCE: CR:028
SOURCE: Boitnott, J. (2016, March 21). *5 ways marketing can improve the post-sale customer experience.* Retrieved September 11, 2017, from http://www.pardot.com/blog/5-ways-marketing-can-improve-post-sale-customer-experience

21. D
Economic and noneconomic. Economic wants have monetary values attached to them, while noneconomic wants are free. Economics is concerned with economic wants. Wants are considered 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
SOURCE: LAP-EC-006—Are You Satisfied? (Economics and Economic Activities)

22. D
Increase. Since the holidays usually bring people in need of ski equipment, this situation should create a seller's market in which buyers will be willing to pay higher prices to buy what they need. Prices usually increase in a seller's market instead of decreasing, remaining the same, or fluctuating.
SOURCE: EC:005
SOURCE: LAP-EC-011—It's the Law (Supply and Demand)

23. A
Process. A manufacturing company is well-suited for a divisional organizational structure broken down by process. For instance, the manufacturing process may be broken down into units such as raw materials receiving/sorting, raw materials preparation, raw materials conversion, product finishing, product packaging, and product shipping. The traditional functional structure would not be as well-suited for a manufacturing company, nor would be a divisional structure broken down by customer type or product.
SOURCE: EC:103
SOURCE: LAP-EC-103—Designed to Work (Organizational Design of Businesses)

24. B
Implement innovative management practices. Many employees are in direct contact with customers, so they learn what the customers need and want. When employees are encouraged to exchange ideas and to "think outside the box," the business is supporting an innovative management style. When an innovative, creative environment is fostered, employees are willing to present their ideas for new products and processes to management. Acting on feasible ideas will help the business attract new and changing markets and help it thrive in the marketplace. Developing licensing programs and business partnerships are ways that a business can adapt to changes; however, these actions depend on the type of business and the business's goals. All businesses should review their profit margins on a regular basis, regardless of their willingness to develop new products. Laissez-faire managers assume little or no leadership responsibility. The business is unlikely to adapt to markets or survive in the marketplace if it does not lead its employees in a desired direction.
SOURCE: EC:107
SOURCE: LAP-EC-107—Keep the Change (Adapting to Markets)

25. B
Cost of merchandise. Cost of merchandise is the money that businesses pay for the goods they sell. Gross profit is the money left over after subtracting cost of merchandise from sales income ($583,000 - $224,000 = $359,000). Net profit is the money left over after operating expenses are subtracted from gross profit ($359,000 - $259,000 = $100,000). Annual income is the total amount of money that a business earns during the year.
SOURCE: EC:010
SOURCE: LAP-EC-002—Risk Rewarded (Factors Affecting Profit)

26. D
To see whether the business's objectives are being met. Productivity may be measured to see whether a business's goals and objectives are being reached. Productivity doesn't aid in the location of new sources of inputs. Members of the finance department are responsible for determining the best ways to invest company profits. Research and development may find new ways to meet customer needs.
SOURCE: EC:013
SOURCE: LAP-EC-018—Make the Most of It (Productivity)

27. C
It becomes difficult for consumers to plan ahead. If there is no inflation or deflation, prices in the economy stay mostly constant. This is known as price stability. When prices are instable, it becomes difficult for consumers to plan ahead. How can consumers budget for major purchases when they can't predict prices? While price instability often causes the redistribution of wealth, this isn't usually good for the economy. Long-term government projects aren't easier to arrange when there is price instability—in fact, price instability makes it much more difficult for governments to plan. Just as consumers have a hard time committing to big financial plans during economic uncertainty, the government finds it difficult to plan large projects when prices fluctuate. Price instability does not cause businesses to hire more employees; in fact, price instability typically *discourages* businesses from taking on costly expenditures like hiring new people.
SOURCE: EC:083
SOURCE: LAP-EC-028—Up, Up, and Away (Inflation)

28. B
Language. Social and cultural aspects of a country include the customs, habits, and traditions of the people. Language is an important socio-cultural factor that involves how people communicate, both verbally and nonverbally, as well as the meaning of words and gestures. It is important for businesses involved in global trade to understand the language of other countries to avoid speaking or acting in a way that might be considered offensive. Technology, politics, and economics are factors that have an impact on global trade, but they are not social and cultural factors.
SOURCE: EC:045
SOURCE: LAP-EC-045—On Top of the World (Impact of Culture on Global Trade)

29. A
Stereotyping. A stereotype is a set image or an assumption about a person, a group of people, or a thing. Assuming that all people of a certain nationality will work long hours for low pay is stereotyping because it makes a judgment about a group as a whole rather than about individuals. Discrimination is unfair treatment of a person or a group based on the person's or group's characteristics. Prejudice is opinion or judgment that is based on feeling or hearsay, rather than fact. Harassment is any kind of behavior toward another person that is carried out for the purpose of annoying or threatening the individual.
SOURCE: EI:017
SOURCE: LAP-EI-139—Don't Jump to Conclusions! (Recognizing and Overcoming Personal Biases and Stereotypes)

30. D
Exhibiting self-control. Hospitality and tourism managers are in the people business. Those people include customers, staff, and executive officers. They must keep their cool under stressful situations to impact the behavior of others. Without self-control, they can make bad situations even worse. Effective managers encourage dissent, thinking that that leads to improvement in the organization. Effective managers trust their employees rather than questioning their motives. Effective managers need to motivate their employees rather than being critical of them.
SOURCE: EI:090
SOURCE: Gregoire, M.B. (2010). *Foodservice organizations* (7th ed.) [p. 371]. Boston: Prentice Hall.

31. B
Require less supervision. Responsible employees require less supervision on the job because they take personal responsibility for themselves and their work. This benefits the business by allowing supervisors to make better use of their time. Responsible employees are likely to need fewer rules than irresponsible workers. Responsible workers are more likely to follow directions and would not need to do work a second time. Responsible employees are as likely as any other kind to expect raises and promotions.
SOURCE: EI:021
SOURCE: LAP-EI-021—Make the Honor Role (Acting Responsibly)

32. D
Integrity. Ethics are principles that guide behavior and give an individual a sense of right and wrong. A person with integrity follows these principles. Apathy is indifference or lack of concern. Intelligence is determined by brain power, not ethics. Bravery is courage.
SOURCE: EI:022
SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 84]. Tinley Park, IL: The Goodheart-Willcox Co.

33. B
Allows everyone to have a fair chance to be heard. Communicating and listening actively and openly shows respect for everyone's ideas and gives everyone a chance to be heard. Communicating does not necessarily prevent bias from affecting decision-making or promote the equality approach to fairness. Finally, communicating should include listening to others' feedback, not ignoring it.
SOURCE: EI:127
SOURCE: LAP-EI-127—Fair or Foul? (Demonstrating Fairness)

34. B
Identify the dilemma. It's important to identify the dilemma first, since you can't resolve the dilemma if you don't know what it is. Dilemmas are not always obvious, and you must be aware of them even when they might not be huge or immediately noticeable. Considering all your potential actions, identifying the dilemma, and reflecting on the outcome are steps that come later in the process.
SOURCE: EI:125
SOURCE: LAP-EI-125—Make the Right Choice (Recognizing and Responding to Ethical Dilemmas)

35. B
"You must be stupid if you don't know how to do that by now." Destructive criticism not only points out mistakes but includes a personal attack on the individual. In this case, the supervisor has called the employee stupid, which is insulting. All of the other comments are examples of constructive criticism given to help an employee improve.
SOURCE: EI:003
SOURCE: LAP-EI-015—Grin and Bear It (Using Feedback for Personal Growth)

36. C
Want to avoid any conflict. Trying to avoid conflict with others is a common reason for failing to be assertive. Other reasons people fail to be assertive include the fear that they will be perceived as aggressive, a lack of understanding about how to be assertive, a lack of acceptance of their personal rights, and fear of being penalized or embarrassed. Assertive behavior can help individuals to meet personal goals. Characteristics of assertive behavior include a desire for respect of personal rights from others and a high level of self-esteem.
SOURCE: EI:008
SOURCE: LAP-EI-018—Assert Yourself (Assertiveness)

37. D
Employee burnout. Burnout results when employees experience negative stress over a prolonged period of time. Its symptoms include lethargic behavior and irritability among other signs. Employee stress can lead to burnout, but stress, by definition, is not long-term. Employee turnover occurs when a person leaves his/her job and is replaced by someone else. This is a cause, not a result, of stress. Organizational change occurs when a company's management decides to run the company in a different manner than its current state. This change can cause, but isn't a result, of stress.
SOURCE: EI:028
SOURCE: LAP-EI-025—Keep Your Cool (Stress Management)

38. A
Values and aspirations. Vision refers to the future you wish to create. A vision is a reflection of your values—what is important to you. A vision is also a reflection of your aspirations—your dreams and passions. Often, a vision begins with an abstract idea that is based on emotion rather than logic. After realizing or acknowledging a vision, then you should consider the resources (e.g., special skills and money) that you will need to carry out the vision, which involves setting goals to achieve the vision.
SOURCE: EI:063
SOURCE: LAP-EI-063—Picture This! (Determining Personal Vision)

39. C
A vision. It's long term, overarching, and inspirational. When Maggie says she wants to be the best auto repair shop in the city, she's talking about her vision. A vision is long term, challenging but realistic, and compelling. A vision involves the big picture and the overarching aim of the organization. Also, it's meant to provide inspiration for the future. A goal, meanwhile, is specific, measurable, and time bound. Goals might be considered small steps on the way to achieving the vision. In Maggie's example, a goal might be gaining a certain amount of new customers this month.
SOURCE: EI:060
SOURCE: LAP-EI-060—Vision Quest (Enlisting Others in Vision)

40. A
Being cooperative. Being a good listener is an example of being cooperative in the process of building positive working relationships. Being cooperative involves valuing the work of others as much as you value your own work. If someone needs help or is falling behind, you do your best to support him/her. This includes listening attentively when your coworker is communicating with you. Being a good listener is not an example of carrying your own weight or maintaining distance from others. It may go along with having a good attitude, but it is best as an example of being cooperative.
SOURCE: EI:037
SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)

41. C
Elissa starts a company when she develops a new app. Elissa is an entrepreneur because she identifies an opportunity to create new value, develops and offers a unique product, assumes the risks of starting and building a business, focuses on the improvement and growth of that business, and receives personal and financial rewards for her efforts. Working for someone else's accounting firm, investing money, and asking for a raise are not examples of entrepreneurship.
SOURCE: EN:039
SOURCE: AmosWEB. (2000-2017). *Entrepreneurship*. Retrieved September 12, 2017, from
             http://www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=entrepreneurship

42. A
Title; lien. Installment credit is commonly used to purchase large, expensive items such as furniture or cars. The title, or legal ownership document, for an item purchased on installment credit is made out in the name of the credit user (in this case, Iris). However, the seller (the car company) has a lien, or claim, on the title until all installment payments have been made. If Iris neglects to pay, the company can repossess the car. Interest is the fee that the lender charges the borrower for the use of credit. The principal is the original amount of a loan on which the amount of interest is based.
SOURCE: FI:002
SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

43. A
Establishing her goals. Before Chandra figures out the details of her budget, she needs to establish her goals. She can't create an effective or realistic budget unless she knows what goals she's focusing on. Estimating income, determining regular expenditures, and allocating income occur later in the budget-development process.
SOURCE: FI:066
SOURCE: Clark. (2017, March 23). *How to create a budget, track your spending and reach your goals.* Retrieved September 12, 2017, from http://clark.com/story/tracking-spending-best-way-maintain-budget/

44. C
Validating their credit history. Individuals often validate their credit history before applying for additional credit to make sure that the information in the history is accurate. In some cases, individuals may want to provide additional information to more fully explain their income status if the credit history does not include all sources of income. Also, if there was a history of late payments for a certain account, individuals might want to explain that the charges were in dispute and that the matter has been resolved. Adding additional information often helps to answer questions related to an individual's credit history. Individuals usually do not provide additional information about their income status and payment history when opening a checking account, estimating their tax liability, or hiring a financial planner.
SOURCE: FI:072
SOURCE: Well Traveled Mile. (2015, June 10). *What to do if your credit card application needs further review.* Retrieved September 12, 2017, from https://welltraveledmile.com/what-to-do-if-your-credit-card-application-needs-further-review/

45. D
Universal life insurance. With universal life insurance, you will be insured for life and be able to grow your savings tax-free. This coverage is adapted to meet your insurance needs at any stage of life. It also lets you build your savings so that your beneficiaries are left with an inheritance. Term life insurance provides coverage for a set period of time—one, five, 10, or 20 years. This insurance pays only if you are insured at the time of injury or illness. At the end of the coverage, you can renew your coverage, convert the term life insurance into permanent coverage, or let the policy lapse. Disability insurance pays a nontaxable benefit every month that you are disabled. Its coverage ends when your disability ends and does not include an inheritance for beneficiaries. Long-term care insurance is needed if you lose your independence due to physical or mental limitations following an accident or illness.
SOURCE: FI:081
SOURCE: Pareto, C. (2017, March 27). *Intro to insurance: Types of life insurance.* Retrieved September 12, 2017, from http://www.investopedia.com/university/insurance/insurance8.asp

46. C
Timely and understandable. Businesses obtain internal and external financial information to make decisions about their business activities. To make sound decisions, a business needs reliable and timely information that is presented in an understandable or logical way. The information should also be specific and relate to the situation at hand. Financial information does not need to be creative, transferable, or sensitive.
SOURCE: FI:579
SOURCE: LAP-FI-009—By the Numbers (The Need for Financial Information)

47. A
$22,750. A business's balance sheet shows the business's financial condition at a certain point in time. It includes all assets, debts, and the owner's equity. Total assets include items such as cash, accounts receivable, inventory, machinery and equipment, buildings, land, investments, and interest. Total assets do not include accounts payable, which are considered debts. To calculate the business's total assets, add the figures for cash, accounts receivable, inventory, and machinery and equipment ($2,500 + $6,125 + $3,775 + $10,350 = $22,750).
SOURCE: FI:093
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 772). Woodland Hills, CA: Glencoe/McGraw-Hill.

48. D
Cash-control procedure. Businesses develop procedures to control cash in order to prevent loss. One procedure involves carefully comparing the monthly bank statement with the entries in the business's checkbook. If a business discovers errors or discrepancies, it should review the statement with the bank to identify the source of the problem. In some cases, banks accidentally debit the wrong account or post deposits to the wrong account. If the business fails to detect the error, it may lose those funds. Accounts payable are all the monies owed by the business to others. Money handling involves accepting cash, counting change, etc. Break-even analysis is a financial analysis whose purpose is to identify the level of sales needed to reach the break-even point at various prices.
SOURCE: FI:113
SOURCE: Ann, L. (2009, April 30). *Importance of cash control*. Retrieved September 12, 2017, from
　　　　　http://ezinearticles.com/?Importance-Of-Cash-Control&id=2287169

49. B
It plans and controls spending. The finance function plans and controls spending throughout the company, making sure that it stays within the budget. It provides a central "hub" for monitoring company spending throughout all the different departments. The accounting function produces financial reports. Finance does not refer to spending on investments only.
SOURCE: FI:354
SOURCE: LAP-FI-007—Money Matters (Role of Finance)

50. B
To protect the company against fraud. A floor limit protects a business from excessive charges made illegally because the business is only held liable for the amount of the floor limit. Setting a floor limit does not create any buying incentive that would increase the amount of sales or encourage the use of credit cards. Setting a floor limit does not prevent fraud, but it can help reduce its impact.
SOURCE: FI:789
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials 2012* (pp. 367-
　　　　　369). Columbus, OH: Glencoe/McGraw-Hill.

51. A
Judging an employee on the basis of work performance. Ethics are the basic principles that govern your behavior and involve acting in ways that distinguish right from wrong. In human resources management, ethics involve doing what is right by treating all employees fairly. Being fair involves judging each employee solely on the basis of his/her work performance. This includes providing equal opportunities, being unbiased, and avoiding favoritism. Promoting an employee on the basis of friendship might be viewed as unethical behavior because the promotion is based on a personal relationship or favoritism rather than job qualifications and performance. Hiring an applicant on the basis of gender and interviewing an applicant on the basis of appearance are unethical and often illegal because these actions exhibit bias.
SOURCE: HR:411
SOURCE: LAP-HR-411—Moral Mediators (Ethics in Human Resources Management)

52. B
Privately address the behavior directly with the employee. If a manager observes biased, preferential, or racist behavior, s/he should address it directly with the employee so s/he understands the practice is not accepted or tolerated. Firing the employee is a harsh action to take because the employee may not be totally aware or conscious that s/he is demonstrating bias in the workplace. Ignoring biased behavior is not acceptable because it allows the behavior to continue and can cause the employee to believe the company tolerates or approves of the behavior. While personally demonstrating unbiased behavior can encourage others to adopt the same attitude, it doesn't ensure that they will; it's best to inform employees that biased behavior is not acceptable.
SOURCE: HR:515
SOURCE: Ryan, T. (n.d.). *5 strategies for dealing with diversity in the workplace*. Retrieved September
　　　　　13, 2017, from http://smallbusiness.chron.com/5-strategies-dealing-diversity-workplace-
　　　　　18106.html

53. B
    Reference group. Your older brother and his friends are a reference group. It's a group you aren't a part of but would like to be. Their behavior can influence your buying decisions. This group is not a membership group because you aren't a member of it. Psychological influences on buying behavior have to do with perception, motivation, learning, etc. Situational influences refer to time constraints, special occasions, etc.
    SOURCE: MK:014
    SOURCE: LAP-MK-006—Cause and Effect (Buying Behavior)

54. A
    Identify the market for the product. Marketers need to know who the potential buyers are, how many there are, and where they are located before they select products to produce and/or sell. If there is no demand for a product, it will not sell. Setting up a promotional plan, choosing a channel of distribution, and deciding what to charge for products are later decisions.
    SOURCE: MP:003
    SOURCE: LAP-MP-003—Have We Met? (Market Identification)

55. B
    Paraphrasing. Paraphrasing is restating a message in other words in order to confirm or clarify its meaning. Quoting involves duplicating an exact passage and attributing that passage to the original author. Summarizing involves putting main ideas in your own words for a broader overview of the material. Plagiarizing is stealing the work or idea of another without referencing the original source to pass it off as your own. Simon is not plagiarizing because he references the source in his document.
    SOURCE: NF:080
    SOURCE: Purdue Online Writing Lab. (2013, February 15). *Quoting, paraphrasing, and summarizing.* Retrieved September 12, 2017, from https://owl.english.purdue.edu/owl/resource/563/01/

56. B
    Ethical; information management. Information management is the process of accessing, processing, maintaining, evaluating, and disseminating the business's knowledge, facts, or data. The café is exhibiting ethical, cautious, and judicious behavior by implementing policies to protect its customers' information. Customers are more likely to trust the café with their personal information because the café states its privacy policies on its website. The privacy statement does not relate to the cafe's product promotion, marketing research, or production procedures.
    SOURCE: NF:111
    SOURCE: Starbucks. (2017, September 11). *Starbucks privacy statement.* Retrieved September 12, 2017, from http://www.starbucks.com/about-us/company-information/online-policies/privacy-policy

57. B
    Providing laptops, tablets, and smartphones. Laptops, tablets, and smartphones allow salespeople to have instant access to company databases and software. This enables them to update information quickly and place orders on the spot. This technology also contains the software that generates a purchase order and forwards the order information to manufacturing, purchasing, and accounting. The salesperson does not need to return to the office to prepare paperwork but can go on to another appointment. Debit transactions, security cameras, and in-person training are not types of technology that improve the efficiency of salespeople.
    SOURCE: NF:003
    SOURCE: LAP-NF-004—TECH-tastic (Technology's Impact on Business)

58. B
Serves as a temporary holding area for files and programs. Random Access Memory, or RAM, is a temporary workspace that stores data and programs that the user is actively using. A computer containing a lot of RAM enables users to open and work on several files and programs at one time. When the user has finished working with a file or program, s/he saves or stores the information permanently on the hard drive. The video card is a component of the system that converts code so the user can view items on the computer monitor. The computer mouse is a tool that enables computer users to enter commands.
SOURCE: NF:084
SOURCE: Kjell, B. (2010, June 17). *Chapter one: Introduction to computer systems.* Retrieved September 12, 2017, from http://chortle.ccsu.edu/java5/Notes/chap01/ch01_1.html

59. C
To maintain client lists. One use of a computer database is to store information about the business's customers. A database allows a business to add and update information and to organize it in many different ways. For example, a business might organize its client list according to the amount of money each customer spends by zip code or by location. The business can rearrange this information at any time by a simple click on a computer key. Databases are not used to transmit documents, communicate with vendors, or to monitor economic trends.
SOURCE: NF:009
SOURCE: GCF LearnFree. (1996-2016). *Access 2016: Introduction to Databases.* Retrieved September 12, 2017, from https://www.gcflearnfree.org/access2016/introduction-to-databases/1/

60. B
Virtual private network. Software refers to the programs that instruct computers to perform specific operations. Software that instructs the computer to transfer certain information to specific computer systems through a secure Internet exchange is a virtual private network (VPN). When channel members' computer systems are linked together by this type of software, the necessary information (e.g., purchase orders) can be transferred quickly from one channel member to another, which increases the efficiency of the entire distribution process. An Intranet software system allows information flow among a company's employees. An Internet service provider (ISP) is a company that provides access to the Internet, usually for a fee. A client network refers to a client, usually a business, which has its own Intranet.
SOURCE: NF:106
SOURCE: Paul, I. (2017, July 6). *How - and why - you should use a VPN any time you hop on the internet.* Retrieved September 11, 2017, from https://www.techhive.com/article/3158192/privacy/howand-whyyou-should-use-a-vpn-any-time-you-hop-on-the-internet.html

61. D
Correlation. In terms of marketing research, correlation is the dependency of one variable on another variable or set of variables. The level of dependency can vary greatly. To predict means to estimate. One cannot usually estimate until a pattern or correlation between variables has been established. Sensitivity and affirmation are general terms that might describe an understanding nature. To understand the relationship between variables, a correlation must first be acknowledged.
SOURCE: NF:185
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring Marketing Research* (10th ed.) [p. 591]. Mason, OH: South-Western Cengage Learning.

62. C
Unbiased. For data analysis to be performed properly, the researcher should be unbiased, nonjudgmental, trained, and consistent with the information and results.
SOURCE: NF:139
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring Marketing Research* (10th ed.) [p. 498]. Mason, OH: South-Western Cengage Learning.

63. B
Protecting consumer privacy. Businesses are becoming more concerned with ways of protecting consumer privacy because of the new technology that makes it easy to gather and disseminate personal information. The rapid growth of electronic commerce, which enables consumers to purchase products online, also enables businesses to collect information about credit cards, personal preferences, and buying habits that many consumers prefer to keep private. In response to a growing concern on the part of consumers, businesses are trying to develop techniques that will protect consumer privacy—not only online—but also from other types of abuses. Economic expansion and marketing research are fundamental business activities rather than current trends. Private enterprise is an economic system in which individuals and groups, rather than government, own or control the means of production.
SOURCE: NF:013
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 94-95]. Mason, OH: South-Western Cengage Learning.

64. A
Collecting data on product purchases from loyalty programs. Loyalty programs are designed to track the shopping behavior of consumers and can measure the transactions of actual repeat business. Tracking cookies from web browsing activity provides helpful information about a customers' web activity, but it does not offer the same detailed information provided by a loyalty program. Collecting personal information from online registrations provides information about customers, but it does not offer a way to measure repeat business. Surveying customers about recent store experiences could provide information about recent purchases, but it is not the best way to measure actual repeat business.
SOURCE: NF:283
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials 2012* (pp. 658-661). Columbus, OH: Glencoe/McGraw-Hill.

65. D
By searching its own customer database. A company's own customer database should contain the names, addresses, and previous sales history of previous customers that can be used to create a mailing list for specific products. Competitors and outside researchers would not have access to the names and addresses of previous customers. Reviewing marketing research plans would not provide the names or addresses of previous customers.
SOURCE: NF:284
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials 2012* (pp. 656-661). Columbus, OH: Glencoe/McGraw-Hill.

66. A
Previous fulfilled hotel reservations. Previous fulfilled hotel reservations are considered secondary data because they have been previously collected, and they can provide insight into trends that can help predict future revenue. Guests' personal income data help predict what guests can afford, but don't necessarily show any spending or travel trends that can predict future stays. Guest surveys about future travel plans are not a source of secondary data; the surveys are a primary source because they directly collect the information being sought. Guest surveys on service quality can provide insight into whether guests liked their stay, but these data are not as beneficial in predicting future revenue as previous hotel reservations.
SOURCE: NF:237
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials 2012* (pp. 656-661). Columbus, OH: Glencoe/McGraw-Hill.

67. B
Creating a storyboard. Creating a storyboard helps you to plan the text and illustrations for a presentation and also plan the work that will need to be done to create the presentation. Developing a schedule can help with the planning of the work but does not help plan the actual content. Creating the needed slides and planning the slide transitions can only be done after a plan for the content is developed.
SOURCE: NF:290
SOURCE: Lehman, C., & DuFrene, D. (2011). *Business communication* (16th ed) [pp. 307-313]. Mason, OH: South-Western.

68. D
Price. As more hotels enter the hospitality marketplace, competitors are looking for ways to keep their hold in the marketplace. In the past, the hotel industry tended to focus promotional efforts on their products and unique services. Increased competition has given the consumer more choices. As a result, many hotels are experiencing shrinkage in customer loyalty. To combat the loss of customer loyalty, many hotels are emphasizing price by offering deep discounts and special packages that focus on price. Place is an element of marketing that focuses on considerations in getting a selected product in the right place at the right time. Service refers to intangible activities that are performed by other people for money and satisfy the economic wants of customers. Trends indicate that promotional emphasis has changed from service to price. Technology is defined as scientific applications to business objectives or the methods used to attain those objectives. Technology is a tool used to carry out promotional activities and not an element of promotion.
SOURCE: NF:048
SOURCE: Mahmoud, A. (2016, March 7). *The impact of AirBnb on hotel and hospitality industry.*
Retrieved September 12, 2017, from https://www.hospitalitynet.org/opinion/4074708.html

69. D
Bribery. Bribery occurs when one party makes illegal payments to secure business in return. As a purchaser, Darryl might receive offers of bribery from suppliers that are looking to gain an edge over competitors by offering him money on the side. Violation of company Internet policies, employee theft, and noncompliance with safety regulations are all examples of ethical issues in the workplace, but they are not specifically tied to purchasing.
SOURCE: OP:190
SOURCE: CIPS Knowledge. (2013). *Ethical purchasing practices.* Retrieved September 12, 2017, from
https://www.cips.org/Documents/Knowledge/Procurement-Topics-and-Skills/4-Sustainability-CSR-Ethics/Sustainable-and-Ethical-Procurement/Ethical_Purchasing_Practices-Knowledge_How_To.pdf

70. C
The employer does not take steps to correct the issue. Businesses must follow certain health and safety regulations to ensure a safe working environment for employees. When employers do not follow regulations, it is important to take action to correct the situation. In many situations, the issue can be resolved easily. For example, an employee might notice that boxes are blocking an exit and tell his/her supervisor about the infraction. Then, the supervisor can take steps to ensure the boxes are moved to an appropriate location. When the employer does not take steps to correct the issue, employees should report the infraction to the appropriate government agency. There is not enough information provided to determine if housekeeping personnel are violating the regulations that govern the way businesses must dispose of hazardous materials. The vendor is not the employee's employer.
SOURCE: OP:005
SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 687-688]. Tinley Park, IL: The Goodheart-Willcox Co.

71. C
Sales. Businesses may lose the opportunity to make sales if injured employees cannot be present to carry out their duties. Lost sales usually result in less profit, which can be a serious problem for a business. Losing sales and income could eventually force a company out of business. Assets are anything of value that the business owns. Benefits are advantages obtained from using a good or service. Goods are tangible objects that can be manufactured or produced for resale.
SOURCE: OP:009
SOURCE: OSHA. (2017, July 10). *Business case for safety and health - Costs.* Retrieved September 12, 2017, from https://www.osha.gov/dcsp/products/topics/businesscase/costs.html

72. D
Prioritizing. Prioritizing involves ranking things in the order of their relative importance. When employees prioritize their work, they evaluate several factors, including due dates and the time it will take to complete a task. In Luke's situation, he determined that he needed to start acquiring bids before working on the inventory report, even though the report was due before the bids. Because Luke realized that he had to allow vendors time to provide the bids, he needed to give them the order specifications promptly. Delegating is assigning authority or responsibility to others. Luke is not delegating, simplifying, or communicating information about his workload to others.
SOURCE: OP:228
SOURCE: Snell, S. (2017, June 7). *7 tips for how to prioritize tasks effectively.* Retrieved September 12, 2017, from http://www.vandelaydesign.com/how-to-prioritize-tasks/

73. C
It is a roadmap. A project plan is a set of living, related documents that serve as a roadmap for the project from beginning to end. Every successful project relies on a good project plan. A project plan shows the balance between flexibility and strategy, but it does not emphasize one over the other. A project plan isn't set in stone; rather, it should be amended as necessary throughout the life of the project.
SOURCE: OP:001
SOURCE: LAP-OP-007—Chart Your Course (Developing a Project Plan)

74. B
Comparing project standards with actual performance. Standards are specifications or statements that are used as a basis for making comparisons or judgments. Project managers often use standards as the basis for evaluating project results. For example, a project manager might compare the budget allocated for a specific phase of the project with the actual amount of money spent during that phase to evaluate the use of financial resources. Project managers set goals at the beginning of a project. Project managers must obtain a variety of project data (e.g., internal and external) before they can evaluate project results; therefore, conducting data searches is not a method of evaluating project results. Project managers may develop diagrams to help them visualize project results so they can evaluate them.
SOURCE: OP:159
SOURCE: Sanghera, P. (2009). *90 days to success as a project manager* (pp. 9-10, 339). Boston: Course Technology.

75. D
Drop shipment. Direct shipping involves bypassing delivery to the intermediary (Barston Distributors) and delivering the product directly to the customer. An open order is an order for staple goods that is placed with one of several available vendors who can meet the business's immediate requirements (e.g., time, price, quantity). A standing order is an order that involves sending specific products at set intervals. An advance order is a regular order that is placed now with delivery requested at a future time (e.g., weeks, months).
SOURCE: OP:250
SOURCE: Hayes, M. & Youderian, A. (2016, November 10). *Understanding dropshipping.* Retrieved September 12, 2017, from https://www.shopify.com/guides/dropshipping/understanding-dropshipping

76. A
Buffer. A business carries buffer inventory when the supply of and demand for goods are uncertain. If the demand goes up, and supply goes down, having buffer inventory helps the business to cover its needs until supply is stable and available. Items that a business uses to produce goods are manufacturing or work-in-process inventory. Aggregate inventory involves categorizing goods by use or need (e.g., dry goods or liquid goods). Just-in-time is an inventory control method in which the business orders goods just in time for them to be used or sold.
SOURCE: OP:336
SOURCE: Borad, S.B. (2017, August 31). *Types of inventory/stock.* Retrieved September 12, 2017, from https://efinancemanagement.com/costing-terms/types-of-inventory-stock

77. A
Set lower prices. Businesses need to consider how many products they can sell at certain prices in order to select the most appropriate selling price. It might seem that a business would always choose the highest selling price. However, a business might decide that setting a lower price would increase sales, thereby recovering costs and making a profit more quickly. Hiring additional staff, purchasing extra stock, and planning special events might cost the business more money without increasing sales.
SOURCE: OP:024
SOURCE: LAP-OP-009—Watch Your (Over) Head (Overhead/Operating Costs)

78. A
Monitor and control expenses. An invoice (bill) documents how much a customer or client owes for the goods or services a business provides. To operate, a business orders office supplies, outsources services (e.g., legal advice), leases equipment, etc. Its vendors send the business bills (invoices) that state how much the business owes. The business monitors and tracks the invoices to make sure it is billed correctly. If the business finds a discrepancy (e.g., incorrect tax amount) on a bill, the business will likely contact the vendor to make necessary adjustments. Tracking invoices is one way the business controls its expenses. Accounts receivable are the monies coming into the business. Businesses do not track invoices to evaluate the vendors' performance levels.
SOURCE: OP:184
SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 424-425]. Tinley Park, IL: The Goodheart-Willcox Co.

79. A
Supply Chain Manager. A supply chain manager is in charge of supervising the entire process of getting goods into the marketplace, including coordinating with other companies and vendors. A line supervisor supervises a given team, or line, to ensure quality and productivity. A chief financial officer, or CFO, monitors all of a company's funds and assets. An inventory manager supervises and controls the number of finished products a company has in stock.
SOURCE: OP:443
SOURCE: Lopez, E. (2017, January 2) *What is 'supply chain'?* Retrieved September 12, 2017, from http://www.supplychaindive.com/news/what-supply-chain-definition/433123/

80. A
Present their photo identification cards when they report for work. Terrorism and other threats of violence are primary security concerns for hospitality and tourism businesses. Amusement parks often employ hundreds of people, so it is difficult for managers to know all of the employees personally. To ensure a safe environment, a large amusement park is likely to have procedures that employees must follow. For example, many amusement parks require employees to present photo identification cards when they report to work as a way to verify their name and employment status. Asking employees to wear uniforms when picking up their paychecks and requiring employees to participate in diversity training programs are not actions that will ensure a secure work environment. Amusement parks typically provide guests or customers with tickets to enter the park after they have paid their admission.
SOURCE: OP:058
SOURCE: Martinez, M. (2014, June 3). *Biggest threats to amusement park security.* Retrieved September 12, 2017, from http://www.pinkerton.com/blog/biggest-threats-amusement-park-security

81. B
Travelers with disabilities. Being able to respond to emergency situations is an important consideration in the travel and tourism industry. Many people travel throughout the world, which means that natural disasters and fires are potential dangers. Handling these situations effectively will save lives. Therefore, most emergency procedures include a plan for identifying travelers with disabilities who may need special help in escaping a dangerous situation. Emergency escape and evacuation procedures do not include plans for identifying relatives of passengers. Local authorities are usually responsible for identifying hazardous materials. Identifying suspicious activities is a security consideration.
SOURCE: OP:119
SOURCE: Stanford University Diversity and Access Office. (n.d.). *Guide for assisting individuals with disabilities in an emergency.* Retrieved September 12, 2017, from https://diversityandaccess.stanford.edu/disability-access/emergency-evacuation-planning/guide-assisting-individuals-disabilities-emergency

82. C
Role-playing. Role-playing is the process of assuming roles and acting through a given situation. Josh and Nikki read a scenario and role-played the parts. Brainstorming is a creative thinking technique that involves the identification of as many different ideas as possible during a certain time frame. Experimenting is the act of testing or trying out a proposed idea or procedure. Meditation, which is a mental exercise, is the act of contemplating, reflecting, or thinking over.
SOURCE: PD:012
SOURCE: Buelow, J. (2014, February 6). *3 benefits of making role-play part of training.* Retrieved September 12, 2017, from http://www.trainingmag.com/3-benefits-making-role-play-part-training

83. B
Form unions. Employees have the right to join or support a union. They do not have the right to not be fired. Employees are generally not permitted to view any human resources file they wish. Employers are able to monitor employee Internet usage on company computers.
SOURCE: PD:021
SOURCE: U.S. Department of Labor. (n.d.) *Employee rights under the National Labor Relations Act.* Retrieved September 12, 2017, from https://www.dol.gov/olms/regs/compliance/EmployeeRightsPoster11x17_Final.pdf

84. B
"I was seeking a job with more responsibility." This is a positive response which indicates that the applicant is interested in getting ahead and is willing to accept additional responsibility. A job applicant should not make negative remarks about his/her previous employer(s) or coworkers. Even though all of the other alternatives could be true statements, they are negative and will reflect poorly on the job applicant.
SOURCE: PD:027
SOURCE: Skillings, P. (2017, April 2). *How to answer: Why did you leave your last job?* Retrieved September 11, 2017, from https://biginterview.com/blog/2013/04/why-did-you-leave-your-last-job.html

85. C
Work experience. There are several ways to obtain work experience without having a paying job. One way is to participate in school-operated programs, such as the school store or library. Students who help in the school store learn how to operate cash registers, complete sales transactions, and serve customers. Students who work in the library also learn about customer service. This experience is similar to work experience and can be listed on an individual's resume. Helping out in the school store or library is a way of obtaining a type of training rather than additional education or college information. Students might receive approval for the work they do, but that is not the purpose of participating.
SOURCE: PD:032
SOURCE: Kimbrell, G. (2012). *Succeeding in the world of work* (p. 37). Columbus, OH: McGraw-Hill Education.

86. D

Sales promotion events. Local sales promotion events are sometimes sponsored by business alliance organizations (e.g., local chamber of commerce) to stimulate business for their members. Additional membership benefits may include group services such as a reduced-rate insurance package. Participation in trade shows and the establishment of industry standards are benefits of joining a trade association.

SOURCE: PD:036

SOURCE: Laramie Chamber Business Alliance. (2016). *Reasons to join.* Retrieved September 12, 2017, from https://laramie.org/about/what-we-do/

87. A

Obtain further education and certification. Trade or professional organizations consist of individuals or groups that work within a particular industry. Benefits of belonging to a professional organization include networking opportunities, the establishment of consistent industry standards, trade shows, and venues for members to further their education (e.g., seminars, workshops, classes, certification) within the industry. Continuing education programs can help people keep up with trends associated with their industry. The availability of government funding is dependent on each government's resources and guidelines. Therefore, it cannot be assumed that all governments provide financial support to trade organizations. Joining a professional organization does not necessarily improve or increase employee productivity. Joining a trade organization might help industry members learn about the use of promotion, but it does not necessarily develop the materials or programs for them.

SOURCE: PD:061

SOURCE: Tourism Industry Association of Nova Scotia. (2011). *Member benefits: Professional development.* Retrieved September 12, 2017, from http://www.tians.org/membership/member-benefits/professional-development

88. C

A decrease in the number of guests and an increase in the number of rooms available. A decrease in the number of guests occurs during economic slowdowns because people are reluctant to spend their discretionary income on travel. Consequently, there is an increase in the number of rooms available as more rooms become available for rent. An increase in the number of guests and an increase in the number of rooms available does not follow the law of supply and demand, which suggests that as demand for rooms go up, supply typically goes down. A decrease in the number of guests and a decrease in the number of rooms available would work the other way because as demand goes down, the supply of rooms available for rent typically goes up. An increase in the number of guests and a decrease in the number of rooms available typically occurs during good economic times when people are more willing to spend their discretionary income on travel.

SOURCE: PD:111

SOURCE: Reynolds, J.S., & Chase, D. (2014). *Hospitality services* (3rd ed.) [p. 48]. Tinley Park, IL: The Goodheart-Willcox Company, Inc.

89. A

Penetration pricing. This strategy is used to gain quick recognition from travelers and to acquire an immediate slice of the market share. Psychological pricing refers to a minimally adjusted price that gives the customer a feeling of increased value and/or savings (e.g., $69.95 instead of $70.00). Price lining is the practice of selling goods/services at a limited number of predetermined price points, or levels. A price that is initially set deliberately on the high side is called price skimming. This concept is used to attract the customer who is willing to pay the higher price in order to be one of the first to use the good/service. At some point, the company lowers the price to appeal to other customers.

SOURCE: PI:029

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 610). Columbus, OH: Glencoe/McGraw-Hill.

90. A
Packaging. Packaging is placing the product in a protective wrap or container before it is offered for sale. It is an area of product management that has increased in importance as the number of items available to consumers has increased. The package must be eye-catching in order to attract purchasers. It must also protect the product, create a product image ranging from economy to luxury, and identify the product brand. Good packaging helps to increase sales. Labeling provides information about the product and attracts customers but does not protect the product. Idea generation is the process of thinking up or creating new plans, schemes, and thoughts. Concept testing is exploring the concept, or idea, for a product in order to obtain feedback.
SOURCE: PM:001
SOURCE: LAP-PM-017—Rapping Up Products (Nature of Product/Service Management)

91. A
Legal recourse. Legal recourse is the right to file a lawsuit against a company that does not fulfill its obligations under a warranty or a guarantee. A guarantee is a promise made by the seller to the consumer that the seller will refund the consumer's purchase price if the product does not perform as expected. A liability lawsuit is legal action against a company whose product has caused personal injury. A warranty is a promise made by the seller to the consumer that a seller will repair or replace a product that does not perform as expected.
SOURCE: PM:020
SOURCE: LAP-PM-004—Promises, Promises (Warranties and Guarantees)

92. C
Repositioning. Companies attempt to reposition products in order to update a sagging image, to boost sagging sales, to prolong the life of a brand, to fill a market niche, or to be competitive. Brand extending introduces a new brand under an established brand name. Positioning creates a certain image or impression of a brand as compared to competitors' brands. Licensing involves the "renting" of a brand name to another company.
SOURCE: PM:003
SOURCE: LAP-PM-003—Mix and Match (The Nature of Product Mix)

93. A
A bed and breakfast advertising private baths and a fireplace in each room. This illustrates the product element of marketing in the travel industry. The product is the accommodations. The resort is focusing on how it treats its guests. The cruise ship is providing information. The conference center is offering additional services.
SOURCE: PM:081
SOURCE: Kolter, P., Bowen, J.T., & Makens, J.C. (2014). *Marketing for hospitality and tourism* (6th ed.) [p. 13]. Upper Saddle River, NJ: Pearson Education, Inc.

94. B
Shuttle. Shuttle services provide a means of transportation for guests and their baggage when the property is located far away from popular destinations such as the airport. Valet services are responsible for cleaning guests' garments so that guests don't have to obtain access to laundry facilities. Concierge services provide tourist information, directions, dinner reservations, and other personalized services that make it easier for guests to enjoy their stay and to navigate unfamiliar territory. Bell staff services handle guests' baggage, making it easier for them to get to and from their room, as well as their modes of transportation.
SOURCE: PM:095
SOURCE: Reynolds, J.S., & Chase, D. (2014). *Hospitality services* (3rd ed.) [p. 198]. Tinley Park, IL: The Goodheart-Willcox Company.

95. D
Hotels/Motels usually keep guest history records. Guest history records contain the names and addresses of individuals who have been guests in the hotel or motel. This provides a mailing list of people to contact through direct mail. Direct mail is a promotional medium that comes to consumers' homes in the form of letters, catalogs, postcards, and folders. A disadvantage of direct mail is that it can be expensive. An advantage of direct mail is that it is a personal medium addressed to a specific recipient. Hotels/Motels are interested in building a clientele of satisfied guests, but they are also interested in attracting new guests who have not previously used the facilities.
SOURCE: PR:082
SOURCE: Kolter, P., Bowen, J.T., & Makens, J.C. (2014). *Marketing for hospitality and tourism* (6th ed.) [pp. 472-479]. Upper Saddle River, NJ: Pearson Education, Inc.

96. A
Organizational. Quality management must begin at the top—at the organizational level. The company's top managers must make a commitment to customer satisfaction through quality, and they should let that commitment serve as a guide for important decisions. Quality management is also important at the process (or departmental) level and the job/performance level, but it must flow from the top.
SOURCE: QM:001
SOURCE: LAP-QM-001—Keep It Quality (Nature of Quality Management)

97. A
Hurricanes, earthquakes, and terrorist attacks. Risk managers use computerized catastrophe modeling to estimate the losses that their company could suffer as a result of a natural disaster or other significant calamity, such as a terrorist attack. While risk managers may analyze risks such as robberies, embezzlement, and sexual harassment claims, they are not likely to use specialized catastrophe modeling software to evaluate the potential for losses caused by these risks.
SOURCE: RM:042
SOURCE: Van Leer, K. (2015, June 22). *What is catastrophe modeling?* Retrieved September 12, 2017, from http://www.rms.com/blog/2015/06/22/what-is-catastrophe-modeling/

98. C
Confirmation number at the end of the call. Confirmation numbers are codes that hotels use to validate and track guests' reservations. When taking guests' reservations, the hotel reservationist should provide the guest with a confirmation number near the conclusion of the call after the terms of the bookings have been set. Often, hotels will also send an email to guests that contains their confirmation numbers. If guests need to make changes to their reservations, they provide their confirmation numbers to the reservationists, which help them access and change the guests' information quickly. Reservationists do not provide guests with daily transaction codes, policy reference numbers, or arrival identification codes.
SOURCE: SE:477
SOURCE: Free Hotel Management Training. (2010, January 13). *How to take reservation on phone*. Retrieved September 12, 2017, from http://www.hospitality-school.com/hotel-telephone-reservation

99. A
$144. Although many businesses have cash registers that automatically calculate numerical data such as percentages, others might require the salesperson to calculate the discount and process the coupon. To calculate the discount in this example, first multiply the retail price by the amount of the discount ($180 X 20% or .20 = $36). Then subtract the discount from the retail price ($180 - $36 = $144).
SOURCE: SE:149
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 555). Woodland Hills, CA: Glencoe/McGraw-Hill.

100. B

Management. Management is the process of coordinating resources in order to accomplish an organization's goals. The functions of management include planning, organizing, staffing, directing, and controlling. Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives. Economizing is deciding how scarce resources will be used. Research is an investigation or inquiry.

SOURCE: SM:001

SOURCE: LAP-SM-003—Manage This! (Concept of Management)