DECA

SAMPLE EXAM

HOSPITALITY + TOURISM CAREER CLUSTER

THE HOSPITALITY AND TOURISM CAREER CLUSTER EXAM IS USED FOR THE FOLLOWING EVENTS:

HOSPITALITY AND TOURISM PROFESSIONAL SELLING **HTPS**

HOSPITALITY SERVICES TEAM DECISION MAKING **HTDM**

HOTEL AND LODGING MANAGEMENT SERIES **HLM**

QUICK SERVE RESTAURANT MANAGEMENT SERIES **QSRM**

RESTAURANT AND FOOD SERVICE MANAGEMENT SERIES **RFSM**

TRAVEL AND TOURISM TEAM DECISION MAKING **TTDM**

1. Trent lives in a state that prohibits texting while driving. He doesn't text while driving because he knows it is against the law, but he is constantly changing his music and looking at the map on his phone while he drives. Trent is most likely to be following the _____ law against texting while driving but not the _____ law.
   - A. civil; criminal
   - B. spirit of the; letter of the
   - C. letter of the; spirit of the
   - D. criminal; civil

2. The relationship between a creditor and a debtor is usually based on the debtor's
   - A. pricing method.
   - B. billing schedule.
   - C. type of account.
   - D. ability to pay.

3. Which of the following types of regulations is most likely to affect a hotel chain's profits:
   - A. Certain types of weapons banned in public places
   - B. Stricter enforcement against insider trading
   - C. New privacy laws for health care professionals
   - D. Increased taxes on gasoline purchases

4. Your coworker is running his first meeting, and you know he is nervous. How can you encourage him as he is speaking?
   - A. Show interest by nodding and smiling.
   - B. Look at your notes so he is not intimidated.
   - C. Speak up when you disagree with him.
   - D. Pay attention to nonverbal cues.

5. Which of the following is a correct interpretation of a common nonverbal cue:
   - A. Fidgeting can signal nervousness or impatience.
   - B. Crossed arms can signal friendliness and availability.
   - C. Clenched fists can signal intelligence and awareness.
   - D. Eye contact can signal anger or irritation.

6. Elizabeth is giving a speech about Abraham Lincoln. She starts with his early political life, moves on to his time as president, and then ends with his death. What common organizational pattern is she using for her speech?
   - A. Spatial
   - B. Topical
   - C. Chronological
   - D. Cause-and-effect

7. Luke is writing a complex report that will be submitted to the company's board of directors. He has collected relevant information that he would like to provide to the audience—information that is not necessary to include in the body of the report. In what section of the report should Luke include this supplemental information?
   - A. Executive summary
   - B. Bibliography
   - C. Appendix
   - D. Table of contents

8. Which of the following is appropriate behavior when writing and sending a professional email:
   - A. Attaching several unnecessary files
   - B. Leaving the subject line blank
   - C. Taking a long time to respond to an email
   - D. Proofreading your email before sending it

9. Which of the following pieces of information would be most appropriate for posting on LinkedIn or another professional social networking site:
   - A. Concerns you have about your current job or career
   - B. Photos of your family from a recent vacation
   - C. An award you received at work
   - D. Updates on your personal marathon training

10. In which of the following situations is it best to communicate by holding a face-to-face meeting:
    - A. A manager conducts an employee's annual performance review.
    - B. An employee needs to obtain a price list from a vendor.
    - C. A manager wants an employee to submit his/her timesheet for approval.
    - D. An employee needs to ask for an expense form for reimbursement.

11. Which of the following is a true statement regarding customer complaints:
    A. The best companies do not receive customer complaints.
    B. Customer complaints can benefit employees and businesses.
    C. Almost all customer complaints involve the product.
    D. The reasons for customer complaints are usually hidden.

12. Why should hotels train their staff on using guest recovery solutions?
    A. To empower staff members to resolve customer service complaints
    B. So they can inform unhappy customers of the hotel's policies
    C. So they understand that recovery solutions are required by law
    D. To reduce a hotel's legal obligations to unsatisfied customers

13. Which of the following is an example of a during-the-sale touchpoint:
    A. Customer satisfaction surveys   C. Rebates
    B. The physical aspects of the business   D. Word-of-mouth advertising

14. Riley loves talking to people, so she always goes out of her way to ask customers for feedback and gets to know them personally. This is an example of how
    A. employees should try to keep their distance from customers.
    B. a company's culture affects its customer service.
    C. extraverted people have a higher success rate in hospitality.
    D. an employee's personality impacts customer service practices.

15. Which of the following is a way to anticipate customer needs without asking:
    A. Focus on selling products.   C. Plan customer service efforts.
    B. Get to know customers.   D. Offer online chat support.

16. Which of the following is an example of a positive moment of truth in customer service:
    A. Aggressively upselling to customers   C. Following a script when talking to customers
    B. Offering a customer-satisfaction survey D. Showing concern for customers' lengthy wait

17. Lucia's Bistro is struggling to keep up with the dinner rush. The managers decide to offer half-off appetizers from 3-5 p.m. as a way to
    A. reduce the number of customers to maximize capacity.
    B. increase its gross sales margins.
    C. improve product quality.
    D. manage customer experience during peaks in demand.

18. If a good or service is scarce, consumers will usually be
    A. unwilling to buy it.   C. able to get as much of it as they want.
    B. uninterested in owning it.   D. willing to pay money to get it.

19. A car dealership purchases new cars from a Ford factory and then sells them to consumers. What type of business model is this?
    A. Manufacturer   C. Trader
    B. Distributor   D. Importer

20. Which of the following is a true statement about innovative management:
    A. It focuses more on functions than outcomes.
    B. Employees work under rigid job descriptions.
    C. Managers are more controlling than facilitative.
    D. It is more participative than traditional management.

21. Which of the following is a true statement regarding an employer's tax obligations:
    A. Employers pay the same amount in taxes for each employee.
    B. Employers pay a matching amount of employees' Social Security and Medicare taxes.
    C. Employers pay taxes only for full-time employees.
    D. Employers may "opt out" of paying payroll taxes.

22. Manager-trainees at a local quick-serve restaurant spend two weeks working at each work station—the grill, the cash register, and the drive-thru. This is an example of job
    A. enrichment.
    B. enlargement.
    C. rotation.
    D. satisfaction.

23. When doing business in another country, which of the following strategies should you use to ensure that you do not offend anyone:
    A. Refrain from adapting your products.
    B. Use a strong, aggressive approach.
    C. Maintain casual, friendly conversation.
    D. Be well-organized and prepared.

24. Small businesses have a positive effect on the local community because they
    A. pay taxes.
    B. reduce competition.
    C. limit job growth.
    D. charge interest.

25. Janel shuts off her phone and email while she is creating a presentation for her upcoming meeting. Janel is
    A. planning.
    B. delegating.
    C. compartmentalizing.
    D. setting long-term goals.

26. Gabriel's boss just assigned him a new project. He needs to create a video presentation, which he has no idea how to do. He starts to get discouraged, but then he reminds himself that this is an opportunity to learn an important new skill. It will look great on his résumé and score him some bonus points with the boss. This is an example of which step for maintaining a positive attitude:
    A. Surround yourself with positive people
    B. Have a sense of humor
    C. Look good
    D. Think positively

27. Adam is a natural leader with strong communication skills and a knack for inspiring others. His teammates, Gia, Olivia, and Bryant, are less comfortable with leadership positions and perform their best when they receive clear instructions from others. As a result, the group decided that it would be best for Adam to act as group leader for the project they are working on. This is an example of
    A. allowing someone to lead at the expense of others.
    B. stepping outside of your comfort zone.
    C. leveraging different personality types.
    D. neglecting certain personality types.

28. When Tara finishes negotiating a big deal with a client, she takes some time to reflect on the situation. She thinks about what she did and didn't do well. What is Tara doing, and why is it important?
    A. Assessing the negotiation; it helps her understand the other person's expectations and responsibilities.
    B. Assessing the negotiation; it helps her make adjustments for the next negotiation session.
    C. Establishing terms; it helps her understand the other person's expectations and responsibilities.
    D. Establishing terms; it helps her make adjustments for the next negotiation session.

29. When Victor is stressed out, he calms himself down by spending some time in quiet, calm thought. Victor is engaging in
    A. meditation.
    B. burnout.
    C. absenteeism.
    D. flextime.

30. Employees from different departments participate in a group to solve problems related to the company's production processes. This is an example of a
    A. product team.
    B. short-term committee.
    C. standing committee.
    D. quality circle.

31. Which of the following steps comes first in the consensus-building process:
    A. Share ideas.
    B. Choose a consensus-building method.
    C. Assign roles.
    D. Identify the problem.

32. Trey is planning ahead to overcome obstacles that might stand between him and achieving his goals. Which tip for smart goal setting is Trey following?
    A. Developing an action plan for each goal
    B. Putting goals in writing
    C. Regularly reviewing and revising goals
    D. Making sure goals are compatible with each other

33. If Danika decides to wear superhero T-shirts because all her classmates are wearing them, she is demonstrating
    A. status quo bias.
    B. leadership.
    C. herd mentality.
    D. groupthink.

34. Tom and his coworkers are unhappy with their business's new policy of paying employees once a month instead of every two weeks. While everyone else sits around and grumbles about it, Tom asks his manager for a meeting to discuss the situation. Which characteristic of a change leader is Tom displaying in this situation?
    A. Knows how to relate to others
    B. Loves to learn new things
    C. Not afraid to "go for it"
    D. Persuasive

35. Which of the following is an action you could take to show respect:
    A. Start arguments with people
    B. Avoid eye contact
    C. Listen to other people's opinions
    D. Interrupt others when they speak

36. At what stage of the entrepreneurial process does an entrepreneur determine the amount of capital needed to launch the business?
    A. Harvesting
    B. Discovery
    C. Actualization
    D. Development

37. Marshall's employer pays him for the work that he performs while on the job. This is an example of
    A. capital gains.
    B. passive revenue.
    C. earned income.
    D. transfer payments.

38. To be able to pay for unexpected car repairs and/or to replace broken home appliances, it is important to
    A. make long-term investments.
    B. save money for emergency situations.
    C. eliminate entertainment expenses.
    D. use tax returns to purchase treasury bonds.

39. Ian's employer electronically places Ian's paycheck directly into his bank checking account every pay period. In what column on Ian's bank statement will he find these transactions?
    A. Deposits and credits
    B. Withdrawals and debits
    C. Deposits and debits
    D. Withdrawals and credits

40. When an individual invests in a mutual fund, s/he is
    A. pooling his/her money with other investors.
    B. purchasing corporate and government bonds.
    C. taking on a high level of investing risk.
    D. selecting his/her own investment options.

41. Emma is reviewing the sales budget in relation to the actual sales generated for a set time frame. How is Emma using financial information in this situation?
    A. To identify external economic trends
    B. To establish new quality standards and benchmarks
    C. To compare estimated performance with actual performance
    D. To analyze the impact of aging accounts

42. Many computerized accounting systems make up-to-the-minute data available to financial decision makers instantaneously. In other words, these systems provide decision makers with _____ data.
    A. trial
    B. speed
    C. real-time
    D. inventory

43. What is one source of cash flowing into a business?
    - A. Cost of goods
    - B. Operating expenses
    - C. Sale of assets
    - D. Taxes

44. Carlos tries to respond personally to his customers' needs and wants by using communication to influence their purchase decisions. Carlos is engaged in
    - A. financing.
    - B. advertising.
    - C. selling.
    - D. distributing.

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

46. "Employees are expected to act with honesty, integrity, and a customer service mindset at all times." This is an example of an organizational
    - A. rewards system.
    - B. mission statement.
    - C. vision statement.
    - D. code of ethics.

47. 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. Fire the employee for demonstrating a biased preference
    - B. Ignore the behavior until the employee learns better
    - C. Privately address the behavior directly with the employee
    - D. Personally demonstrate unbiased behavior toward employees

48. Yvonne and her family often eat at their favorite pizza place. They love this particular pizza place because they've built a relationship with the restaurant's employees, who are always friendly and accommodating. This is known as a(n) _____ motive.
    - A. quality
    - B. rational
    - C. experience
    - D. emotional

49. A tour operator put together a tour package for baby boomers who are interested in southwestern art. The tour group will visit a variety of locations in the southwest but will operate individually rather than as a guided tour. What factors did the tour operator use to segment the market?
    - A. Personality and life cycle
    - B. Gender and culture
    - C. Geography and gender
    - D. Age and life cycle

50. When analyzing information found online, it is especially important to
    - A. skim the information briefly rather than reading it carefully.
    - B. assume that the source of your information is credible.
    - C. evaluate the reliability and relevance of the information.
    - D. use sources associated with political parties or action groups.

51. Which of the following are characteristics of effective business information:
    - A. Usable, accurate, and retrievable
    - B. Current, simple, and accessible
    - C. Applicable, historical, and complete
    - D. Organized, complex, and superficial

52. Which of the following is a negative effect that technology has on business:
    - A. Less emphasis is placed on research and development.
    - B. Some technologies can create pollution.
    - C. It's more difficult to enter new and foreign markets.
    - D. Businesses often cut employee-assistance programs.

53. What technological component manages the computer's software and hardware?
    - A. Operating system
    - B. Power supply
    - C. Navigation key
    - D. Modem

54. Which of the following is a computer-based time-management tool that helps employees keep track of their appointments and activities:
    A. Perpetual calendar
    B. Electronic task organizer
    C. Instant-messaging program
    D. Alarm clock

55. One way in which many lodging facilities automate their product offerings is by
    A. implementing self-service check-in options.
    B. offering valet parking services.
    C. requiring guests to pay for Internet service.
    D. encouraging guests to order room service.

56. Descriptive analysis in marketing-information management refers to data organizing activities that most commonly include
    A. conducting univariate analysis, tabulation, and cross-tabulation.
    B. finding statistical errors, empirical levels, and fields.
    C. minimizing coefficients, content analysis, and data conversion.
    D. determining averages, frequency, and percentages.

57. In data mining, association rules describe relationships among large sets of data. An example of an association rule is: "If a customer at XYZ Grocery Store purchases peanut butter, s/he is 70% likely to also purchase jelly." In this example, the antecedent is _____ and the consequent is _____.
    A. buying peanut butter; buying jelly
    B. being a customer at the store; buying jelly
    C. buying jelly; buying peanut butter
    D. buying jelly; being a customer at the store

58. Which of the following is true of internal record maintenance:
    A. It helps you determine your profit.
    B. It is important solely for tax purposes.
    C. It isn't necessary for new or small companies.
    D. All records must be kept for the life of the business.

59. 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

60. A café wants to determine how well its loyalty program is working. Which of the following data will help it determine the mean use-rate of customers' loyalty cards:
    A. Data that show the number of times each customer has used the card over several months
    B. Data that show which month has the highest number of customers using the loyalty card
    C. Data that reveal which customers use their loyalty cards the most often
    D. Data that reveal which customers use their loyalty cards the least

61. What type of chart would be best to illustrate room bookings for nine individual months?
    A. Bar chart
    B. Pie chart
    C. Venn diagram
    D. Scatter chart

62. Which of the following is a growing trend that is having a significant impact on the hospitality and tourism industry:
    A. Flexible work schedules
    B. Reduced population movements
    C. Decreased diversity
    D. Limited technology

63. The capability of many customers to bypass travel agents when booking trips is one way that the travel and tourism industry has been impacted by
    A. information.
    B. deregulation.
    C. commercialization.
    D. technology.

64. Which of the following situations is a conflict of interest:
    A. A purchasing employee receives gifts from a supplier.
    B. An employee fails to report a safety violation.
    C. A manager monitors her/his employees' emails.
    D. A business sells products that have nearly expired.

65. What is the first thing an employee should do when s/he accidentally spills coffee in the tile hallway?
    A. Tell others about the spill
    B. Wait for the floor to dry
    C. Wipe it up immediately
    D. Leave it for the cleaning crew

66. Iliana handles room reservations for a hotel, and recently, she received an online reservation for a large block of rooms from a new customer. Iliana was suspicious that the purchase could be fraudulent. How can she determine whether the reservation is legitimate?
    A. Learn about the company's credit card policy
    B. Verify the purchaser's identity via phone
    C. Run a background check on the purchaser
    D. Refrain from working with third-party booking agents

67. Creating a change-management plan includes determining
    A. a realistic budget.
    B. deadlines for each deliverable.
    C. with whom to share the project plan.
    D. who is authorized to amend the project plan.

68. Annika, the purchasing specialist for Dottie's Donut Shop, just located a new, less expensive sugar supplier. Dottie does not plan to lower donut prices. If Annika buys the shop's sugar from this cheaper supplier, what is likely to happen?
    A. The profit margin for donuts will decrease.
    B. Donut sales will decrease.
    C. Donut sales will increase.
    D. The profit margin for donuts will increase.

69. It is important for a business to evaluate the financial condition of a potential vendor during the vendor-selection process to assess the
    A. reliability of the products that the vendor carries.
    B. risk levels of doing business with the vendor.
    C. vendor's levels of customer service.
    D. vendor's required lead times.

70. 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

71. An important aspect of a business's production efforts is
    A. scheduling a sales promotion.
    B. obtaining the necessary resources.
    C. identifying financing options.
    D. developing compensation policies.

72. Which of the following result when employees control business expenses by treating customers in a professional manner:
    A. Customer complaints are maximized.
    B. Employees' working hours are increased.
    C. Market share is decreased.
    D. Customers are retained.

73. Effective collaboration between supply chain partners will most likely result in
    A. lower warehousing costs.
    B. longer lead times.
    C. lower employee turnover.
    D. higher inventory levels.

74. To handle recyclable products appropriately, all hotel employees must know
    A. the amount of money that the hotel saves by recycling products.
    B. the name of the company that hauls away the recycling.
    C. what items are recyclable and where to place them.
    D. how the government regulates the recycling process.

75. What action should hotel employees take when a fire occurs and they determine that they cannot contain it themselves?
    A. Open windows to let the fire out of the building
    B. Use an A-B-C fire extinguisher
    C. Relocate gas-powered equipment to the middle of the room
    D. Shut off air conditioners

76. A hotel can prevent unauthorized visitors from accessing the property by
    A. instituting a lockout for specific guests.
    B. changing traditional room locks every week.
    C. providing vendors with electronic key cards.
    D. locking particular doors after certain hours.

77. Hannah is known for her bold behavior. She loves riding her dirt bike and is usually the first to volunteer for a dare. What characteristic of a creative person does Hannah display?
    A. Sensitivity/Intuition
    B. Flexibility
    C. Imagination
    D. Willingness to take risks

78. Which of the following statements is true of time management:
    A. It refers to how people use the 24 hours in their day.
    B. It is a matter of common sense and just involves using a calendar.
    C. It requires a significant amount of extra work.
    D. It makes it more difficult for you to plan for the future.

79. Which of the following statements is true about completing job applications:
    A. Use a pencil to fill out the application in case you make a mistake.
    B. Write clearly using a black or blue pen to present a professional appearance.
    C. Leave blank spaces for information that you do not have readily available.
    D. A résumé is not necessary if you are completing a job application.

80. Which of the following would be appropriate to include on a résumé:
    A. Your desired salary
    B. Religious beliefs
    C. Social Security number
    D. Volunteer experience

81. It's extremely important for lodging employees to be organized because they
    A. have to keep track of lots of information (such as reservations).
    B. are in charge of making sure people have fun at parks and attractions.
    C. have to travel extensively for their jobs.
    D. make travel arrangements for their customers.

82. It is important for employees to understand their employers' rules of conduct so they can
    A. receive special recognition for their work.
    B. continuously improve their performance.
    C. operate company equipment for personal use.
    D. meet their employers' expectations.

83. Which of the following early 20th century events had the most positive impact on the growth of mass tourism:
    A. The introduction of paid personal leave time for employees
    B. A shift in focus from industrialism to agricultural pursuits
    C. The development of an American passenger train system
    D. Widespread access to computers and the Internet

84. The Roadie Car Rental Company charges $15 a day for compact cars, $25 a day for midsize cars, and $45 a day for luxury cars. What pricing strategy is Roadie using?
    A. Loss-leader
    B. Bundle
    C. Price lining
    D. Even

85. Why must a business be very careful about eliminating products?
    A. To avoid the need for commercialization
    B. To comply with government regulations
    C. To make higher prices acceptable
    D. To prevent damaging the company's image

86. Mountain View Steakhouse goes above and beyond to create an excellent dining experience for each of its guests. The steakhouse trains its wait staff to be courteous, respectful, and attentive to customers. Based on this information, delivering outstanding customer service is most likely a _____ of the restaurant.
    A. primary risk
    B. business strategy
    C. public relations plan
    D. core value

87. Built in 1750, the Haberdash Castle is the oldest lodging facility in the area and is known for its unique architecture, secret passageways throughout the structure, and rich historic background. This is an example of a hospitality business that has differentiated itself from competitors by focusing on its
    A. all-inclusive packages.
    B. exceptional service.
    C. scenic location.
    D. physical attributes.

88. Which of the following examples illustrates the concept of product in the hospitality industry:
    A. A conference center making reservations at other properties
    B. A bed and breakfast advertising private baths and a fireplace in each room
    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

89. A hospitality business adding a line of suite hotels to increase its product depth is an example of a product
    A. extension.
    B. outsource.
    C. feature.
    D. enhancement.

90. Which of the following factors is most important for marketers to consider when planning promotions:
    A. Colors
    B. Job titles
    C. Music
    D. Costs

91. In which stage of a product's life cycle would the least money be invested in product promotion?
    A. Maturity
    B. Introduction
    C. Decline
    D. Growth

92. What is the focus of quality assurance?
    A. Obtaining customer feedback about product features
    B. Identifying defects in new products
    C. Developing processes to prevent product defects
    D. Taking steps to create better quality products

93. What internal factors do businesses need to evaluate so they can take steps to effectively control their risks?
    A. Loss exposures
    B. Exchange rates
    C. Regulatory issues
    D. Industry trends

94. Which of the following airlines is most likely to be undervalued, based on their price-to-cash flow ratios:

Sky High
Current Stock Price: $14.36
Cash Flow per Share: $5.21

Smooth Flying
Current Stock Price: $22.78
Cash Flow per Share: $4.12

Soar the Sky
Current Stock Price: $18.50
Cash Flow per Share: $3.59

White Clouds
Current Stock Price: $25.81
Cash Flow per Share: $6.94

    A. Sky High
    B. Smooth Flying
    C. Soar the Sky
    D. White Clouds

95. Salespeople may use, as a selling tool, the information in company advertisements that compare their products to those of
    A. service organizations.
    B. different industries.
    C. distribution centers.
    D. the competition.

96. Maggie wanted to do something different on vacation, so she decided to go parasailing. Maggie's motivation to participate in this activity was a desire for
    A. adventure.
    B. relaxation.
    C. prestige.
    D. belonging.

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

98. To process sales transactions efficiently, concert venues often use image or laser scanners to
    A. develop service standards.
    B. identify pricing strategies.
    C. ensure customer satisfaction.
    D. read ticket bar codes.

99. What is a primary consideration when organizing employees' workloads?
    A. Reward system
    B. Disciplinary procedures
    C. Feedback methods
    D. Time management

100. Mason is traveling for a wedding, but there is a risk that his flight might be delayed and he might miss the rehearsal dinner. He decides to rent a car and drive instead of fly. Which risk response did Mason use?
    A. Avoidance
    B. Transference
    C. Acceptance
    D. Mitigation

1. C
    Letter of the; spirit of the. The letter of the law refers to the literal meaning of a law, as it is written, word for word. The spirit of the law is the *intent* of the law—the social and moral consensus of how to interpret the law. In this example, the letter of the law forbids texting while driving, which Trent obeys. However, the spirit of the law is to keep people safe and prevent traffic accidents. Because Trent is still partaking in distracting behavior, he is not following the spirit of this law. This example does not relate to the difference between civil and criminal law.
    SOURCE: BL:163 Comply with the spirit and intent of laws and regulations
    SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

2. D
    Ability to pay. The relationship between a creditor and a debtor is usually based on the debtor's ability to pay the creditor the amount that is owed. Businesses offer credit to increase sales; however, they expect customers to repay the debt. Therefore, creditors usually base their decision to offer credit to those who they believe have the ability to pay. Creditors establish a billing schedule and pricing method. They also determine the type of account to offer debtors. These factors do not influence the relationship.
    SOURCE: BL:071 Discuss the nature of debtor-creditor relationships
    SOURCE: The Editors of Encyclopaedia Britannica. (2016, October 17). *Debtor and creditor.* Retrieved July 24, 2020, from https://www.britannica.com/topic/debtor-creditor-relationship

3. D
    Increased taxes on gasoline purchases. Gasoline prices affect tourism because they affect people's ability to travel. If a new law increases taxes on gasoline, prices will rise and people might not be able to afford traveling, which will affect the hotel's profits. Stricter enforcement against insider trading, new privacy laws for health care professionals, and bans on weapons are not as likely to affect a hotel chain specifically.
    SOURCE: BL:065 Explain the nature of regulations affecting the hospitality and tourism industry
    SOURCE: Petersen, L. (2019, March 29). *Uncontrollable variables that affect the hospitality industry.* Retrieved July 23, 2020, from http://smallbusiness.chron.com/uncontrollable-variables-affect-hospitality-industry-38795.html

4. A
    Show interest by nodding and smiling. One way to encourage a speaker is to show your interest by nodding and smiling. This will show your coworker that you are open to what he is saying. Looking at your notes might make it seem that you are uninterested rather than that you are trying to be unintimidating. While it is appropriate to give feedback, you should not necessarily speak up as you disagree because you will interrupt the speech, which is not encouraging. Finally, paying attention to nonverbal cues is a good idea, but it is not related to encouraging your coworker.
    SOURCE: CO:082 Explain communication techniques that support and encourage a speaker
    SOURCE: Robinson, L., Segal, J., & Smith, M. (2019, June). *Effective communication.* Retrieved July 23, 2020, from https://www.helpguide.org/articles/relationships-communication/effective-communication.htm

5. A
    Fidgeting can signal nervousness or impatience. A person typically fidgets when s/he is nervous, impatient, or bored. Crossed arms usually signal defensiveness, not friendliness and availability. Clenched fists often signal tension and anger, not intelligence and awareness. Eye contact by itself doesn't usually mean a person is angry or irritated. Sometimes eye contact can express interest, but other times it can be seen as intimidating. For this reason, it's important not to rely 100% on nonverbal cues when interpreting a person's message.
    SOURCE: CO:059 Interpret others' nonverbal cues
    SOURCE: Bradberry, T. (2019, May 20). *8 great tricks for reading people's body language.* Retrieved July 23, 2020, from https://www.entrepreneur.com/article/275309

6. C
Chronological. Elizabeth puts her information about Abraham Lincoln in time sequence, otherwise known as chronological order. Topical order involves arranging into related subcategories, such as pros and cons. Spatial order arranges material according to physical space or geography, like showing the layout of a new building. Cause-and-effect order emphasizes the relationship between events and their consequences. It could be used to demonstrate the effects of smoking or the benefits of exercise.
SOURCE: CO:025 Make oral presentations
SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

7. C
Appendix. Supplemental information for long or complex reports is presented in an appendix, which is a separate section placed at the end of a report. The information in the appendix might contain graphs, text, or a combination of both elements. A bibliography is a component of a report that summarizes the information sources that the writer used to prepare the report. An executive summary is an overview of the entire report. The table of contents is the portion of a long report in which the sections are listed with their page numbers.
SOURCE: CO:088 Select and utilize appropriate formats for professional writing
SOURCE: Money Matters. (2020). *Parts of a business report.* Retrieved July 23, 2020, from
https://accountlearning.com/parts-of-a-business-report/

8. D
Proofreading your email before sending it. It's important to read through your email before sending it to check for spelling and grammar mistakes. It may even be a good idea to have someone else proofread your email. You should use a clear, concise subject line that explains the topic of your email to your reader. Responding quickly to an email is more professional than taking a long time to respond. Many people do not like to receive large or multiple attachments in their emails, especially if the attachments are unnecessary.
SOURCE: CO:090 Write professional emails
SOURCE: Whitmore, J. (2016, March 25). *The do's and don'ts of email etiquette.* Retrieved July 23, 2020, from https://www.entrepreneur.com/article/272780

9. C
An award you received at work. LinkedIn and other professional social networking sites are intended to be used for educational and networking purposes, not for posting personal information such as family photos or updates on personal projects. It would be unwise to post concerns about your job on any social networking site, professional or personal, since employers could potentially see your post.
SOURCE: CO:206 Distinguish between using social media for business and personal purposes
SOURCE: Ollier-Malaterre, A., & Rothbard, N.P. (2015, March 26). *How to separate the personal and professional on social media.* Retrieved July 23, 2020, from https://hbr.org/2015/03/how-to-separate-the-personal-and-professional-on-social-media

10. A
A manager conducts an employee's annual performance review. It is best to discuss important or confidential topics such as performance reviews in a face-to-face meeting. It is appropriate to use the telephone or email for routine communications such as requesting a price list, timesheet, or expense form.
SOURCE: CO:092 Choose and use appropriate channel for workplace communication
SOURCE: Williams, O. (2019, January 25). *What are communication channels within an organization?* Retrieved July 23, 2020, from http://smallbusiness.chron.com/communication-channels-within-organization-61447.html

11. B
Customer complaints can benefit employees and businesses. Customer complaints can actually create several benefits for employees and businesses. When handled correctly, they can increase employee confidence, create customer goodwill, increase sales, improve the quality of product and marketing information, etc. Reasons for customer complaints aren't necessarily hidden more often than they are clear. Customers do not necessarily complain about products more than they do other issues. Every company must deal with customer complaints from time to time.
SOURCE: CR:010 Handle customer/client complaints
SOURCE: LAP-CR-010—Righting Wrongs (Handling Customer Complaints)

12. A
To empower staff members to resolve customer service complaints. When hotels train their staff members on using guest recovery solutions, it gives them the confidence and the tools to resolve customer complaints effectively. The purpose of guest recovery is to resolve any dissatisfaction so that guests come back for another visit. Guest recovery solutions are actions taken to satisfy guests' needs and requests to increase customer loyalty. When customers are unhappy, explaining hotel policies is not likely to appease them. The use of guest recovery solutions is not typically related to a hotel's legal obligations and does not reduce them. A hotel's legal obligations relate to protecting a guest's privacy and safety and to fulfilling the contractual obligations of a guest's reservations.
SOURCE: CR:045 Explain the nature of guest recovery
SOURCE: Feiertag, H. (2013, August 13). *Successful service recovery is key to customer retention.* Retrieved July 23, 2020, from https://www.hotelmanagement.net/guest-relations/successful-service-recovery-key-to-customer-retention

13. B
The physical aspects of the business. The physical aspects of the business (location, facilities, etc.) are an example of a touchpoint that takes place during a customer's actual buying process. Customer satisfaction surveys and rebates are post-sale touchpoints. Word-of-mouth advertising can happen at any time but is generally considered a presale touchpoint.
SOURCE: CR:001 Identify company's brand promise
SOURCE: LAP-CR-006—Share the Promise (Identifying Brand Promise)

14. D
An employee's personality impacts customer service practices. Riley has an outgoing, extraverted personality. This makes her more willing to engage customers. Therefore, her personality affects her customer service practices. This is not an example of how a company's culture affects its customer service. Extraverted people do not necessarily have a higher success rate in hospitality; many jobs in the field are well-suited for introverts. It is not true that employees should try to keep their distance from customers.
SOURCE: CR:051 Identify factors affecting customer-service practices in hospitality and tourism
SOURCE: van Vulpen, E. (2020). *How 11 factors influence customer service performance.* Retrieved July 23, 2020, from https://www.analyticsinhr.com/blog/factors-influencing-customer-service-performance/

15. B
Get to know customers. Companies should be familiar with their customers and information about them, such as their previous purchases and other issues they've had with the company. This will help customer service employees prevent problems before they occur and give customers what they need. Focusing on selling products will not help companies anticipate customer needs. Planning customer service efforts is a good idea, but it is not necessarily related to anticipating customer needs without asking. Offering online chat support will not necessarily help companies anticipate customer needs without asking.
SOURCE: CR:053 Anticipate unspoken customer needs
SOURCE: McMahon, D. (2016, January 14). *4 ways to accurate anticipate customer needs.* Retrieved July 24, 2020, from https://aveus.com/4-ways-to-accurately-anticipate-customer-needs-2/

16. D

Showing concern for customers' lengthy wait. A moment of truth in customer service is an interaction during which a customer can form a lasting impression of your company. One way that employees can create positive moments of truth is to demonstrate empathy and concern when customers are experiencing frustration. Customers who feel that the company cares about them will be more likely to form a positive impression. A customer-satisfaction survey will not necessarily create a positive moment of truth. Following a script when talking to customers can make the customer feel unimportant and unheard. Finally, aggressively upselling to customers does not necessarily create a positive moment of truth; rather, pushing costlier sales can create a negative impression.
SOURCE:　CR:055 Deliver positive moments of truth
SOURCE:　Change Factory. (2014). *Moments of truth in hospitality*. Retrieved July 23, 2020, from
　　　　　https://www.changefactory.com.au/industry/hospitality/moments-truth/

17. D

Manage customer experience during peaks in demand. Hospitality and tourism businesses often experience peaks in demand and need to manage customers' experiences when busy. Lucia's Bistro experiences peaks in demand during regular dinner hours. Lucia's Bistro needs to manage this demand without angering impatient customers or losing business. The restaurant can shift demand by offering deals that draw people into the restaurant earlier, spreading demand out and making it easier to manage. Offering half-off appetizers will not necessarily increase gross sales margins, improve product quality, or reduce the number of customers.
SOURCE:　CR:038 Identify strategies to manage customer experience during peaks in demand
SOURCE:　Sharma, S. (2016, March 21). *Managing demand and capacity and waiting line strategies*.
　　　　　Retrieved July 23, 2020, from https://www.slideshare.net/28Sneha/8managing-demand-and-
　　　　　capacity-and-waiting-line-strategies

18. D

Willing to pay money to get it. A good or service is considered scarce when not everyone can have as much of it as desired. This makes consumers willing to pay for the item to obtain it. Since scarce items may be hard to locate, consumers may be more interested in owning them and willing to buy them.
SOURCE:　EC:002 Distinguish between economic goods and services
SOURCE:　LAP-EC-010—Get the Goods on Goods and Services (Economic Goods and Services)

19. B

Distributor. A distributor purchases products from a manufacturer and then resells them. A car dealership purchases new cars from the Ford manufacturer and resells them to customers. A manufacturer, such as a Ford factory, creates products out of raw materials (or premade parts). Traders and importers are not types of business models.
SOURCE:　EC:138 Describe types of business models
SOURCE:　Sack, A. (2015, April). *What does it mean to be a distributor? One distributor's perspective.*
　　　　　Retrieved July 24, 2020, from
　　　　　https://www.ntea.com//NTEA/Member_benefits/Generation_Next/Whatdoesitmeantobeadistri
　　　　　butor.aspx

20. D

It is more participative than traditional management. Innovative management is more participative than traditional forms of management. Employees work under less rigid job descriptions and are usually included in decision-making processes. Under innovative management, company leaders take roles that are more facilitative (helpful, nurturing) than controlling. They focus more on outcomes than they do on traditional business functions.
SOURCE:　EC:107 Explain how organizations adapt to today's markets
SOURCE:　LAP-EC-107—Keep the Change (Adapting to Markets)

21. B
Employers pay a matching amount of employees' Social Security and Medicare taxes. Employment taxes, called payroll taxes, require employers and employees to pay matching amounts into Social Security and Medicare trust funds. This tax is required; employers may not "opt out." Employers must pay taxes on every employee who makes a certain amount each year—not necessarily full-time employees only. The payroll tax is calculated as a percentage of each employee's wages. Since different employees earn different amounts, the amounts that are owed will vary.
SOURCE: EC:072 Describe the nature of taxes
SOURCE: LAP-EC-072—Pay Your Share (Business Taxes)

22. C
Rotation. Job rotation occurs when a company rotates employees through various departments. Job enlargement occurs when a company expands job tasks to include other like tasks. Job enrichment occurs when a company adds interest to tasks to increase satisfaction. Job satisfaction occurs when employees like the job they are doing.
SOURCE: EC:014 Analyze impact of specialization/division of labor on productivity
SOURCE: LAP-EC-007—Divide and Conquer (Specialization and Division of Labor)

23. D
Be well-organized and prepared. No matter the cultural differences, organization and preparation are always important in a new business situation and will likely not offend anyone. Using a strong, aggressive approach could be offensive to certain cultures. Maintaining casual, friendly conversation might be viewed as too informal in some cultures. Finally, products may need to be adapted for different markets so they are not offensive or inappropriate.
SOURCE: EC:110 Explain cultural considerations that impact global business relations
SOURCE: Feigenbaum, E. (n.d.). *The role of culture & communication in business.* Retrieved July 23, 2020, from http://smallbusiness.chron.com/role-culture-communication-business-2924.html

24. A
Pay taxes. Small businesses incur taxes to pay for the government services that community members use, such as roads, schools, trash removal, etc. Small businesses provide jobs and increase competition by giving consumers more options. Charging interest benefits the business rather than the community.
SOURCE: EC:065 Identify the impact of small business/entrepreneurship on market economies
SOURCE: Webb, C. (n.d.). *The advantages of small local businesses.* Retrieved July 23, 2020, from http://smallbusiness.chron.com/advantages-small-local-businesses-2159.html

25. C
Compartmentalizing. Compartmentalization is the process of dividing something into sections or categories. It helps you tackle individual tasks without letting others interfere, and it allows you to separate your time into chunks that can be managed more easily. Janel is compartmentalizing by focusing on her presentation only, without letting her phone and email interfere. Janel is not delegating, planning, or setting goals.
SOURCE: EI:077 Manage commitments in a timely manner
SOURCE: LAP-EI-077—Commit to It! (Managing Commitments in a Timely Manner)

26. D
Think positively. Gabriel's behavior in this situation illustrates the step "think positively" in the list of steps to maintain a positive attitude. Gabriel found the good aspects of what seemed like a bad situation, and this allowed him to turn his problem into an opportunity. While having a sense of humor, looking good, and surrounding yourself with positive people are all important steps towards maintaining a positive attitude, they aren't shown in Gabriel's actions.
SOURCE: EI:019 Exhibit a positive attitude
SOURCE: LAP-EI-003—Opt for Optimism (Positive Attitude)

27. C
Leveraging different personality types. It's important to identify and leverage each person's unique personality type within a group to achieve maximum success. In this example, Adam was most comfortable in a leadership position and had strong communication skills. The other team members were more comfortable receiving clear directions from another person. As a result, the team leveraged each person's unique personality and chose Adam to lead. This example does not demonstrate anyone stepping out of his/her comfort zone, allowing someone to lead at the expense of others, or neglecting certain personality types.
SOURCE: EI:104 Leverage personality types in business situations
SOURCE: Julie Perrine International, LLC. (2019, May 7). *The benefits of understanding personality types in the workplace.* Retrieved July 23, 2020 from http://www.allthingsadmin.com/administrative-professionals/benefits-understanding-personality-types-workplace/

28. B
Assessing the negotiation; it helps her make adjustments for the next negotiation session. When Tara reflects on her negotiation, she reviews her actions in order to make adjustments for the next negotiation session. This is referred to as assessing the negotiation. Establishing terms is done before the assessment stage. Establishing terms is an important step of the negotiating process because it helps each person understand the other's expectations and responsibilities. Sometimes, this involves paperwork or legal documentation. Establishing terms helps avoid conflict later on. While it is important, it doesn't have anything to do with assessing the negotiation, which occurs when the negotiation is done.
SOURCE: EI:062 Demonstrate negotiation skills
SOURCE: LAP-EI-062—Make It a Win-Win (Negotiation in Business)

29. A
Meditation. Meditation, which simply involves spending some time in quiet, calm thought, is scientifically proven to help reduce stress. Burnout is a type of exhaustion that is usually caused by too much stress. Absenteeism (missing work) occurs often when employees are under stress. Flextime is a scheduling procedure in which employees select their own working hours as long as they work the required number of hours.
SOURCE: EI:028 Explain the nature of stress management
SOURCE: LAP-EI-028—Keep Your Cool (Stress Management)

30. D
Quality circle. A quality circle is a problem-solving group of coworkers who are given work situations or problems to study and discuss in order to recommend solutions to management. A standing committee works together for a common purpose over a long period of time (e.g., three years). A short-term committee has an immediate goal, such as planning a social event for employees. A product team consists of individuals who work together to develop, improve, and/or market a product.
SOURCE: EI:045 Participate as a team member
SOURCE: Inc. Editorial, Inc. Staff. (n.d.). *Quality circles.* Retrieved July 23, 2020, from http://www.inc.com/encyclopedia/quality-circles.html

31. D
Identify the problem. The first step in the consensus-building process is identifying the problem. Without a clear idea of the problem or decision at hand, building consensus is unproductive. After the problem has been identified, the group can move on to choosing a formal or informal method, assigning roles, and sharing ideas.
SOURCE: EI:011 Use consensus-building skills
SOURCE: LAP-EI-019—It's a Group Thing (Consensus Building)

32. A
Developing an action plan for each goal. By planning ahead for how he will overcome potential obstacles, Trey is developing an action plan for his goal. This will make it easier to face roadblocks if and when they pop up. In this scenario, Trey is not putting his goals in writing, reviewing and revising his goals, or making sure they are compatible with each other.
SOURCE: EI:027 Develop an achievement orientation
SOURCE: LAP-EI-027—High Hopes (Developing an Achievement Orientation)

33. C
Herd mentality. If someone just follows what others are doing, s/he is demonstrating herd mentality. Status quo bias is a preference to maintain the status quo and a view that a change from it is a loss. Groupthink occurs when bad decisions are made because the group's members fear expressing opinions or suggesting ideas that others may disagree with. Following the behavior of others does not demonstrate leadership.
SOURCE: EI:134 Challenge the status quo
SOURCE: LAP-EI-134—Unfollow the Crowd (Challenging the Status Quo)

34. C
Not afraid to "go for it." Instead of sitting back with his coworkers and complaining about the pay schedule, Tom decides to take action. He is not afraid to "go for it." Change leaders are people of action. They're not satisfied with sitting on the sidelines. They stand up for what they believe in and aren't afraid to challenge the status quo (the way things exist right now). Change leaders are also persuasive, love to learn new things, and know how to relate to others, but these are not the characteristics Tom displays in this situation.
SOURCE: EI:005 Lead change
SOURCE: LAP-EI-022—Start the Revolution (Leading Change)

35. C
Listen to other people's opinions. Respectful people listen to other people's opinions. They do not argue with people, interrupt them when they speak, or avoid eye contact.
SOURCE: EI:036 Treat others with dignity and respect
SOURCE: LAP-EI-036—Everyone's Worthy (Treating Others With Dignity and Respect)

36. D
Development. An entrepreneur determines the amount of capital needed to launch a business during the development stage of the entrepreneurial process. The discovery stage involves exploring potential business opportunities for feasibility and profitability. Actualization, the actual launching and running of the business, cannot occur until capital has been obtained. Harvesting is the final step when the entrepreneur determines how to exit the business.
SOURCE: EN:039 Describe the nature of entrepreneurship
SOURCE: Business Jargons. (n.d.). *Entrepreneurial process.* Retrieved July 23, 2020, from
     https://businessjargons.com/entrepreneurial-process.html

37. C
Earned income. Income is money that individuals and businesses receive from other sources. Marshall worked to receive wages from his employer, so he has earned income. Unearned income is revenue that individuals and businesses passively obtain. In these situations, individuals or businesses do not actually perform work to obtain the money. Dividends, rent, and transfer payments are examples of unearned income. Transfer payments are monies paid by the government for which no goods or services are received in exchange, such as welfare benefits, veterans' benefits, disaster aid, and unemployment. A capital gain refers to the amount of increase in value of an asset in relation to its price at the time of purchase.
SOURCE: FI:061 Describe sources of income (wages/salaries, interest, rent, dividends, transfer
     payments, etc.)
SOURCE: Marquit, M. (2012, March 1). *Earned income vs. unearned income.* Retrieved July 23, 2020,
     from http://plantingmoneyseeds.com/earned-income-vs-unearned-income/

38. B
Save money for emergency situations. It is important to allocate a portion of savings to pay for unexpected expenses that occur in day-to-day life. At some point, everyone will have a car or home appliance that breaks down and needs repaired or replaced. Individuals do not use long-term investments to pay for immediate or short-term expenses. If you don't save money for emergency situations, you may need to cut back on the money you spend on entertainment (e.g., going to the movies) for a while, but you shouldn't need to eliminate entertainment expenses altogether. Investing money that you receive from your tax return will not help you cover unexpected or emergency expenses.
SOURCE: FI:270 Explain the need to save and invest
SOURCE: Fowler, J. (2020, April 9). *Why an emergency fund is important.* Retrieved July 23, 2020, from http://www.investopedia.com/financial-edge/0812/why-an-emergency-fund-is-important.aspx

39. A
Deposits and credits. A bank statement is a summary of all transactions that occur for a certain period of time, usually one month. The bank statement will indicate the day, amount, and transaction type on the statement. The account holder compares the bank statement with his/her checkbook to determine problems or discrepancies. Ian's employer is electronically putting his paycheck into his account; therefore, the amount will be recorded as a deposit (credit) since money is being added to the account on Ian's behalf. The withdrawals and debits column on the bank statement records all of Ian's withdrawals (debits). Ian's bills are located in this column—rent, car payment, groceries, etc.
SOURCE: FI:070 Read and reconcile bank statements
SOURCE: Barone, A. (2020, April 28). *Bank statement.* Retrieved July 24, 2020, from https://www.investopedia.com/terms/b/bank-statement.asp

40. A
Pooling his/her money with other investors. A mutual fund is a collection of stocks and bonds. When you buy a mutual fund, you are pooling your money with other investors, allowing you to pay for a professional manager to select investments for the group. Therefore, when an individual invests in a mutual fund, s/he is not selecting his/her own investment options, nor is s/he solely purchasing corporate and government bonds. Investing in a mutual fund is a relatively low-risk way to invest because a professional financial manager selects appropriate securities for you.
SOURCE: FI:077 Explain types of investments
SOURCE: Chen, J. (2020, May 28). *A beginner's guide to asset classes.* Retrieved July 23, 2020, from https://www.investopedia.com/articles/basics/11/3-s-simple-investing.asp

41. C
To compare estimated performance with actual performance. Businesses rely on accurate financial information to make sound business decisions. In the situation provided, Emma is comparing one financial report (budget) with another financial report (actual sales) to determine if the business performed as expected—if it achieved its sales goals. Although external economic conditions can affect sales, Emma is analyzing internal financial information rather than identifying external economic trends. Emma is not establishing new quality standards and benchmarks or analyzing the impact of aging accounts.
SOURCE: FI:579 Describe the need for financial information
SOURCE: LAP-FI-009—By the Numbers (The Need for Financial Information)

42. C
Real-time. Many computerized accounting systems make "real-time" data readily available to financial decision makers. That means that the systems provide up-to-the-minute data instantly. Computerized accounting systems provide much more than just inventory data. Speed and trial data are fictitious terms.
SOURCE: FI:352 Explain the use of technology in accounting
SOURCE: Fairbanks, L. (2019, January 15). *Choosing the right small business accounting software.* Retrieved July 23, 2020, from http://www.businessnewsdaily.com/7542-choosing-accounting-software.html

43. C
Sale of assets. Cash can flow into a business from a number of different sources, including the sale of assets. Assets are anything of value that a business owns. In some cases, businesses have assets that they no longer need. Selling these assets brings in cash. Other sources of cash flowing into a business include startup money, sale of products, loans from banks or investors, and interest paid by credit customers or resulting from interest-bearing savings accounts. Operating expenses, cost of goods, and taxes are examples of sources of cash that flow out of a business.
SOURCE: FI:091 Describe the nature of cash flow statements
SOURCE: LAP-FI-091—Count the Cash (Cash Flow Statements)

44. C
Selling. Selling is determining customer needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Carlos is, therefore, engaged in selling. Advertising is any paid form of nonpersonal presentation of ideas, goods, or services. Distribution involves moving, storing, locating, and/or transferring ownership of goods or services. Financing is a marketing function that involves understanding the financial concepts used in making business decisions.
SOURCE: SE:017 Explain the nature and scope of the selling function
SOURCE: LAP-SE-117—Sell Away (The Nature and Scope of Selling)

45. C
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 Discuss considerations in accepting credit-card payments
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). Marketing essentials 2012 (pp. 367-369). Columbus, OH: Glencoe/McGraw-Hill.

46. D
Code of ethics. A code of ethics outlines the ethical standards to which an organization expects its employees to adhere. "Employees are expected to act with honesty, integrity, and a customer service mindset at all times" is an example of a code of ethics. It is not an example of an organizational mission statement, a vision statement, or a rewards system.
SOURCE: HR:411 Explain the role of ethics in human resources management
SOURCE: LAP-HR-411—Moral Mediators (Ethics in Human Resources Management)

47. C
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 Discuss issues associated with workplace diversity (e.g., ethnic, generational, religious, gender)
SOURCE: Leonard, K. (2019, February 4). *5 strategies for dealing with diversity in the workplace*. Retrieved July 23, 2020, from http://smallbusiness.chron.com/5-strategies-dealing-diversity-workplace-18106.html

48. D
Emotional. Emotional motives are reasons for buying that appeal to customers' feelings. In Yvonne's case, her family's emotional motivation is their relationship with the restaurant's employees. Rational motives are reasons for buying that appeal to customers' senses of logic or judgment. For example, if Yvonne's family went to a pizza place that has the lowest prices, that would be a rational motive. A combination of both emotional and rational motives is typically what it takes to convince customers to make a purchase. However, not everyone's the same—some people care more about rational motives, while others care more about emotional motives. That's why it's so important for a company to get to know its customers and figure out what they want. Experience and quality are not terms commonly used to describe motives.
SOURCE: MK:019 Demonstrate connections between company actions and results (e.g., influencing consumer buying behavior, gaining market share, etc.)
SOURCE: LAP-MK-019—Just Do It…Right (Company Actions and Results)

49. D
Age and life cycle. Baby boomers were born between 1946 and 1964. Baby boomers, therefore, represent people of a particular age range that is aging. Many baby boomers are empty nesters, and they have the money and time to travel. Art appeals to males and females; therefore, gender was not used as a basis for segmentation. Although the tour group will experience different cultures, personalities, and geographies, those were not used as the basis for market segmentation.
SOURCE: MP:035 Identify ways to segment hospitality and tourism markets
SOURCE: Hayes, A. (2020, July 13). *Market segment.* Retrieved July 24, 2020, from https://www.investopedia.com/terms/m/market-segment.asp

50. C
Evaluate the reliability and relevance of the information. There are plenty of online sources that contain credible information—but there are also many websites that you shouldn't trust when searching for unbiased fact. For example, websites such as Wikipedia can be edited by anyone—even people who don't have expert knowledge on the topic being discussed. Similarly, political parties or action groups may run websites that *seem* to provide unbiased truth, but in reality, their information is severely biased. Therefore, when analyzing information found online, therefore, it's important *not* to assume that the source of your information is credible. Rather, you should carefully select the sources that you use. Regardless of the source, it's not a good idea to skim information briefly when attempting to analyze it. Instead, you should read it carefully.
SOURCE: NF:278 Draw conclusions based on information analysis
SOURCE: Georgetown University Library. (2020). *Evaluating internet resources.* Retrieved July 23, 2020, from https://www.library.georgetown.edu/tutorials/research-guides/evaluating-internet-content

51. A
Usable, accurate, and retrievable. Companies use many sources of internal and external information to make decisions about their business activities. Effective information should be usable (applicable), accurate, and retrievable (accessible). Whether the information needs to be current, historical, organized, complete, simple, or complex depends on the type of information the company needs and how the company intends to use the information. Making important business decisions based on superficial information could be costly to companies.
SOURCE: NF:110 Discuss the nature of information management
SOURCE: LAP-NF-110—In the Know (Nature of Information Management)

52. B
Some technologies can create pollution. Although technology provides many benefits, there are also some negatives as well. For example, technology can often be held responsible for certain environmental issues, like air pollution. This means a company usually has to address these problems for public relations purposes. Technology doesn't make it more difficult to enter new and foreign markets; actually, it makes it much easier, since the Internet allows businesses to sell their products to anyone, anywhere in the world. Rather than placing less emphasis on research and development as a result of technology, businesses often place more emphasis on research and development of new technologies. Technology doesn't typically impact employee-assistance programs.
SOURCE: NF:003 Identify ways that technology impacts business
SOURCE: LAP-NF-004—TECH-tastic (Technology's Impact on Business)

53. A
Operating system. The computer's operating system consists of the components needed to run all of the computer applications and programs. The power cords connect the computer's central processing unit (CPU) to the electrical supply needed to turn on and operate the computer system. Navigation keys (e.g., arrow keys) are the function keys on the computer keyboard that enable a computer user to move around the computer screen. A modem is a device that connects the computer to the Internet. It sends and receives information via a telephone or cable line.
SOURCE: NF:085 Use basic operating systems
SOURCE: Goodwill Community Foundation. (1998-2020). *What is an operating system?* Retrieved July 23, 2020, from https://edu.gcfglobal.org/en/computerbasics/understanding-operating-systems/1/

54. B
Electronic task organizer. Electronic task organizers and calendars help employees keep track of their appointments and tasks, which help them be more efficient, organized, and productive workers. Spreadsheet software programs record and calculate numerical data. Instant-messaging programs allow Internet users to communicate in real time. Perpetual calendars and alarm clocks may not be computer-based.
SOURCE: NF:005 Demonstrate personal information management/productivity applications
SOURCE: Hein, R. (2013, April 18). *9 top iPhone and iPad productivity and time management apps.* Retrieved July 23, 2020, from https://www.networkworld.com/article/2357942/96495-9-Top-iPhone-and-iPad-Productivity-and-Time-Management-Apps.html

55. A
Implementing self-service check-in options. Many lodging facilities have implemented self-service check-in and check-out options. These options often save time for the guests because they do not need to wait in long lines for an employee's assistance. It also reduces payroll expense for the lodging facilities because they do not need to pay staff to perform these types of duties. Offering valet parking services, requiring guests to pay for access to the facility's Internet service, and encouraging guests to order room service for meals are not automated activities.
SOURCE: NF:106 Use software to automate services
SOURCE: Clock Software. (1996-2020). *Hotel check-in/out and self service kiosk.* Retrieved July 24, 2020, from https://www.clock-software.com/hotel-kiosk.html

56. D
Determining averages, frequency, and percentages. Descriptive analysis organizes information into its simplest form and summarizes it for decision-making purposes. The other answers are all terms used in marketing-information management, but they do not refer to activities commonly performed in descriptive analysis.
SOURCE: NF:185 Use database for information analysis
SOURCE: Frankenfield, J. (2019, June 24). *Descriptive analytics.* Retrieved July 24, 2020, from https://www.investopedia.com/terms/d/descriptive-analytics.asp

57. A
Buying peanut butter; buying jelly. In data mining, association rules are if/then statements that describe relationships among data such as correlations. In this example, there is a correlation between purchasing peanut butter (the antecedent) and purchasing jelly (the consequent). The "then" statement always follows the "if" statement; the two cannot be reversed. In other words, this example could not be interpreted to mean: "Customers that purchase jelly are 70% likely to also purchase peanut butter."
SOURCE: NF:151 Demonstrate basic data mining techniques
SOURCE: Rouse, M. (2018, November). *Association rules (in data mining)*. Retrieved July 23, 2020, from https://searchbusinessanalytics.techtarget.com/definition/association-rules-in-data-mining

58. A
It helps you determine your profit. If you don't pay attention to or maintain records, you'll have no idea how much your business is selling or where you're losing money. It's important to maintain good records so you can determine your profit. Records help you keep track of sales, prices, and inventory, all of which help you determine how much money your business is actually making. Record maintenance isn't just important for tax purposes—it's helpful with all aspects of business planning! Internal record maintenance is important for all companies, whether they're big, small, new, or old. In fact, record maintenance can help a small company identify opportunities and grow into a larger company. While it's important to keep some records indefinitely (income tax returns, for example), some records only need to be kept for a much shorter amount of time. For example, there's no need to keep every receipt forever.
SOURCE: NF:014 Monitor internal records for business information
SOURCE: IRS. (2020, April 28). *Why should I keep records?* Retrieved July 24, 2020, from https://www.irs.gov/businesses/small-businesses-self-employed/why-should-i-keep-records

59. 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 Describe methods used to collect hospitality and tourism business information (e.g., observations, mail, telephone, Internet, discussion groups, interviews)
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials 2012* (pp. 658-661). Columbus, OH: Glencoe/McGraw-Hill.

60. A
Data that show the number of times each customer has used the card over several months. The mean of a set of data is the average of those data. So, the most effective method for determining the mean-use rate of loyalty cards involves using data from a wide range of customers. Examining several months of individual customer data will help determine the mean or average use-rate of customers' loyalty cards. Data revealing the month of highest loyalty card use do not show the overall customer use rate. Data revealing which customers use the card most or least also do not help determine the overall customer use rate.
SOURCE: NF:236 Explain the use of descriptive statistics in business decision making
SOURCE: Kenton, W. (2019, June 27). *Descriptive statistics.* Retrieved July 23, 2020, from https://www.investopedia.com/terms/d/descriptive_statistics.asp

61. A
Bar chart. A bar chart is effective for showing separate data sets that are similar, such as room bookings for different months. A pie chart is best used when there are less than five categories to plot and/or to represent parts of a whole. A Venn diagram is only effective when data sets have a common, or overlapping, element. A scatter chart is used to illustrate a relationship or correlation between two variables.
SOURCE: NF:289 Display hospitality and tourism data in charts/graphs or in tables
SOURCE: Sharma, H. (2020). *Best Excel charts types for data analysis, presentation and reporting*. Retrieved July 23, 2020, from https://www.optimizesmart.com/how-to-select-best-excel-charts-for-your-data-analysis-reporting/

62. A
Flexible work schedules. The work schedules of employees throughout the world are becoming more flexible as businesses allow them to work from home, work compressed work weeks, and work part time. As a result, employees have more time to plan leisure and travel activities. For example, there is a trend toward weekend getaways and short trips planned on the spur of the moment. This trend impacts the hospitality and tourism industry by increasing demand for facilities that people can reach quickly. It also increases demand for services to identify and book travel options. The movement of the population is growing, diversity is increasing, and technology is expanding.
SOURCE: NF:048 Describe current issues and trends in the hospitality and tourism industry
SOURCE: Doyle, A. (2019, May 5). *Flexible work schedules*. Retrieved July 24, 2020, from https://www.thebalancecareers.com/what-is-a-flexible-work-schedule-2063677

63. D
Technology. The technology that allowed for the creation of the Internet and the World Wide Web makes it possible for customers to buy travel products directly from suppliers rather than using the services of travel agents. Anyone with a computer and access to the Internet can go online to obtain information about airline flights, cruises, hotel accommodations, etc., and buy those products online from the supplier. For example, a customer can access the home page of American Airlines, select a flight, book the flight, pay for the flight, and download a boarding pass. This eliminates the middleman, or the travel agent, and allows customers to buy directly from suppliers. Deregulation, commercialization, and information do not enable customers to bypass travel agents.
SOURCE: NF:060 Explain ways that technology impacts the hospitality and tourism industry
SOURCE: Oakley, R. (n.d.). *The advantage of online reservations*. Retrieved July 24, 2020, from https://traveltips.usatoday.com/advantages-online-reservations-63078.html

64. A
A purchasing employee receives gifts from a supplier. When an employee receives gifts from a supplier or potential supplier, it can present a conflict of interest, or a situation in which the employee is unable to make a truly impartial decision. Conflicts of interest do not necessarily occur when an employee fails to report a safety violation, when a manager monitors her/his employees' emails, or when a business sells products that have nearly expired.
SOURCE: OP:190 Discuss the role of ethics in operations
SOURCE: LAP-OP-190—Above Board (Ethics in Operations)

65. C
Wipe it up immediately. Spills may make the floor slippery and create a safety hazard. Others may not notice the spill, fall on the wet surface, and suffer injuries. All employees are responsible for helping maintain a safe environment. They should not wait for the floor to dry, tell others about the spill, or leave it for the cleaning crew.
SOURCE: OP:007 Follow safety precautions
SOURCE: Root, G.N. III. (n.d.). *What are some workplace safety issues?* Retrieved July 23, 2020, from smallbusiness.chron.com/workplace-safety-issues-1303.html

66. B
Verify the purchaser's identity via phone. It is a good idea to be cautious with first-time customers to ensure that they are not using fraudulent credit cards. One way to verify that the purchaser's identity aligns with their credit card is to call via phone and confirm that the person whose name is on the card made the purchase. Learning about the company's credit card policy would not necessarily help Iliana in this instance; she should have already learned about the company's policy. It is not feasible that Iliana is authorized to run a background check on the purchaser. Finally, it is not realistic to suggest that a hotel could refrain from working with third-party booking agents because they are an important revenue source.
SOURCE: OP:653 Identify credit card fraud prevention methods
SOURCE: SiteMinder. (2020). *Hotel data breaches: What independent hoteliers need to know about data security.* Retrieved July 23, 2020, from https://www.siteminder.com/r/hotel-data-breaches/

67. D
Who is authorized to amend the project plan. Creating a change-management plan includes determining who is authorized to amend, or change, the project plan. Determining deadlines for each deliverable is part of project scheduling. Determining with whom to share the project plan is not a part of change management. Determining a realistic budget comes at a different point in the project-planning process.
SOURCE: OP:001 Develop project plan
SOURCE: LAP-OP-007—Chart Your Course (Developing a Project Plan)

68. D
The profit margin for donuts will increase. If Annika reduces the materials' cost of Dottie's donuts, the profit margin for the donuts will increase, not decrease. As long as Dottie does not lower the price of donuts, using less expensive sugar will not have an impact on donut sales.
SOURCE: OP:015 Explain the nature and scope of purchasing
SOURCE: LAP-OP-002—Buy Right (Purchasing)

69. B
Risk levels of doing business with the vendor. If a vendor is not financially stable, there is a risk that the vendor may not have the resources to meet the business's needs. And, if the vendor's financial condition is extremely poor, the vendor may go out of business. A lack of financial resources may affect the vendor's products, its levels of customer service, and its lead times.
SOURCE: OP:161 Select vendors
SOURCE: Egeland, B. (2015, November 25). *Choosing a vendor: Six steps to find the best supplier.* Retrieved July 23, 2020, from http://www.businessknowhow.com/manage/choosevendor.htm

70. 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 Describe types of purchase orders
SOURCE: Ferreira, C. (2020, January 3). *What is dropshipping?* Retrieved July 23, 2020, from https://www.shopify.com/blog/what-is-dropshipping

71. B
Obtaining the necessary resources. Production is the process or activity of producing goods and services. Businesses must obtain the appropriate resources—skilled workers, raw materials, inventory, supplies, and equipment—to produce the business's goods and services. Scheduling a sales promotion is a promotional activity. Identifying financing options is a finance activity. Developing compensation policies is a human resources activity.
SOURCE: OP:017 Explain the concept of production
SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)

72. D
Customers are retained. When employees serve customers efficiently and courteously, employees help reduce customer complaints, thereby saving money. This also means the business will retain customers; it costs less to keep existing customers than to try to attract new ones. Fewer complaints result in employees having more time to sell. Market share should increase if customers are treated in a professional manner.
SOURCE: OP:025 Explain employee's role in expense control
SOURCE: LAP-OP-025—Buck Busters (Employee Role in Expense Control)

73. A
Lower warehousing costs. Effective supply chain collaboration will likely result in lower warehousing costs, lower inventory levels, and shorter lead times. Effective supply chain collaboration will not necessarily impact employee turnover.
SOURCE: OP:444 Explain the benefits of supply chain collaboration
SOURCE: Supply Technologies. (2020). *The importance of supply chain collaboration.* Retrieved July 23, 2020, from http://www.supplytechnologies.com/blog/the-importance-of-supply-chain-collaboration

74. C
What items are recyclable and where to place them. Hotels must inform their employees what types of items can be recycled (e.g., glass, plastic, paper, and aluminum) and where to place them. Most often, hotels place recycling containers or bins at various locations on the property. It isn't necessary for all employees to know the name of the company that hauls the recycling—only the employees who typically come in contact with the hauling company's employees. Although employees might find it interesting to know the amount of money that the hotel saves by recycling or how the government regulates the recycling process, this information is not necessary for them to know to handle the recyclables appropriately.
SOURCE: OP:134 Practice safe and sanitary handling/disposal of wastes/recyclables
SOURCE: Goodnet.org. (2019, June 29). *5 steps to recycle effectively.* Retrieved July 24, 2020, from https://www.goodnet.org/articles/5-steps-to-recycle-effectively

75. D
Shut off air conditioners. When fires occur, hotel employees should determine whether they can control the fire themselves. If not, they need to contact the fire department, shut off the air conditioning to keep the smoke from filtering into other parts of the property, close windows and doors to keep the fire from spreading, and shut off the fuel to gas-powered equipment. Since the employees have already determined that they cannot contain the fire themselves, they should not take time to attempt using fire extinguishers.
SOURCE: OP:119 Handle emergency situations in hospitality and tourism
SOURCE: Setupmyhotel.com. (n.d.). *Fire emergency plan and procedure - hotel.* Retrieved July 24, 2020, from https://setupmyhotel.com/train-my-hotel-staff/securityandloss/722-hotel-fire-emergency-plan-and-procedures.html

76. D
Locking particular doors after certain hours. By locking doors after certain hours, a hotel can limit access to the facility. For example, a hotel might provide its guests and employees with an access code to get into the main lobby from outdoors at nighttime. Hotels do not provide vendors with electronic key cards. It would be very expensive to change traditional locks every week. A hotel enacts a lockout by preventing a guest from entering his/her room when the guest does not pay the bill, exhibits unsafe behavior, etc.
SOURCE: OP:115 Explain security considerations in the hospitality and tourism industry
SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 243-244]. Tinley Park, IL: The Goodheart-Willcox Co.

77. D
Willingness to take risks. Hannah's bold behavior shows she is willing to take risks. This willingness is often found in creative individuals, although the risks aren't always physical ones. Flexibility is a measure of how well a person can adjust to change. Imagination is the ability to see things that may not yet be real. Sensitivity/Intuition refer to a person's ability to listen to her/his own instincts and inner reasoning.
SOURCE: PD:012 Demonstrate appropriate creativity
SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

78. A
It refers to how people use the 24 hours in their day. Time itself is not under our control, but our actions are. And, if we learn to act in a way that makes the most of our time, then we are using the resource wisely. Learning time-management skills does not require a lot of extra work. Spending just a few minutes a day on time management can save you many hours on the job. Learning time-management skills is not just a matter of common sense. It takes more than just writing down appointments and project deadlines in your calendar. Time management can help you plan for the future and take major steps toward achieving your goals and becoming the person you want to be.
SOURCE: PD:019 Use time-management skills
SOURCE: LAP-PD-001—About Time (Time Management)

79. B
Write clearly using a black or blue pen to present a professional appearance. The way in which an applicant fills out a job application can affect the applicant's chances of getting an interview. A job application that contains sloppy handwriting, misspelled words, and incomplete information presents an unprofessional impression. It indicates to the business that the applicant completes tasks haphazardly, which is not a favorable trait for employees to have. To present a professional appearance, the applicant should complete every section of the application and write clearly using a blue or black pen. Some employers may feel that using a pencil to complete an application is unprofessional and difficult to read. Although it depends on the position, many employers require that applicants provide résumés when they complete job applications.
SOURCE: PD:027 Complete a job application
SOURCE: Hansen, R. (2020). *A job-seeker's guide to successfully completing job applications.* Retrieved July 24, 2020, from https://www.livecareer.com/resources/jobs/search/job-applications

80. D
Volunteer experience. Including your volunteer experience on a résumé can be an effective way to showcase your skills and work ethic, especially if you have not held many professional jobs before. Volunteering also shows that you are an engaged member of your community, which will impress potential employers. You should not include your religious beliefs, your Social Security number, or your desired salary on a résumé; they are private matters that are irrelevant to your job application.
SOURCE: PD:031 Prepare a résumé
SOURCE: Indeed.com. (2020, April 1). *Here's everything you should include on a resume.* Retrieved July 24, 2020, from https://www.indeed.com/career-advice/resumes-cover-letters/what-to-include-on-a-resume

81. A
Have to keep track of lots of information (such as reservations). It's important for lodging employees to be organized—they have to keep track of a lot of information, and there can be negative consequences if they forget something or make a mistake. Recreation, amusements, and attractions employees are in charge of making sure people have fun at parks and attractions. Travel and tourism employees often have to travel extensively and make customers' travel arrangements.
SOURCE: PD:272 Explain career opportunities in hospitality and tourism
SOURCE: LAP-PD-022—Career Opportunities in Hospitality and Tourism

82. D
Meet their employers' expectations. To provide a fair and consistent work environment, businesses develop rules of conduct. The rules of conduct outline a business's policies, procedures, and expectations regarding employees' behavior in the workplace. When they are hired, employees typically receive an employee handbook that includes the rules of conduct. To ensure that new employees understand their employers' expectations, businesses often review the rules of conduct during orientation sessions. Rules about using company equipment (e.g., photocopier) for personal use vary. Employers may address this topic in the rules-of-conduct section of their employee handbooks. Employees receive feedback about their work during performance reviews. Understanding the rules of conduct does not ensure that employees will receive special recognition for their work.
SOURCE: PD:251 Follow rules of conduct
SOURCE: LAP-PD-251—Know the Code (Following Rules of Conduct)

83. A
The introduction of paid personal leave time for employees. In 1913, the Westinghouse Corporation instituted paid vacation days for its employees. Many other companies quickly followed suit. Suddenly, most workers had free time on their hands—free time that they could spend traveling. Rather than shifting from industry to agriculture in the early 20th century, individuals shifted their focus from agriculture to industry. This shift from farming to commercialism boosted tourism. The development of an American passenger train system did have a positive impact on tourism, but it occurred in the 19th century, not the 20th. While widespread access to computers and the Internet has had a positive effect on mass tourism, these technological breakthroughs did not occur until the late 20th and early 21st centuries.
SOURCE: PD:105 Describe the development of the hospitality and tourism industry
SOURCE: BBC. (2020). *Global tourism.* Retrieved July 24, 2020, from
https://www.bbc.co.uk/bitesize/guides/zkgxsbk/revision/3

84. C
Price lining. Price lining is the practice of selling goods/services at a limited number of predetermined price points, or levels. In the example, the car-rental company prices each category (line) of vehicle at a minimum price point—the better the class of car, the more expensive the rental. The bundle pricing strategy involves combining one or more related products and selling them for one all-inclusive price. The price of the bundled products is usually lower than the combined price of the products sold separately. Loss-leader pricing occurs when businesses sell products below cost. Even pricing involves the use of an even number at the end of a price to suggest high quality. In the example, all of the prices indicated end with a five, which is an odd number.
SOURCE: PI:029 Explain the concept of price in the hospitality and tourism industry
SOURCE: Anderson, C. (n.d.). *What is price lining?* Retrieved July 24, 2020, from
https://smallbusiness.chron.com/price-lining-12459.html

85. D
To prevent damaging the company's image. Elimination of products must be done carefully to prevent damaging the company's image. Some weak products can be dropped immediately, but others should be eliminated slowly so that customers have time to find replacements. Some companies continue to provide service for a discontinued product in order to retain customer goodwill. Eliminating weak products is not governed by law. A weak product has already been through commercialization and has failed to be profitable. Eliminating weak products will not make higher prices acceptable to consumers.
SOURCE: PM:001 Explain the nature and scope of the product/service management function
SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

86. D
Core value. Core values describe what is most important to a business and what the business wants to be known for. Mountain View Steakhouse goes above and beyond to serve its customers because excellent customer service is most likely one of its core values—something it takes pride in and wants to be known for. Delivering excellent customer service may be part of a business strategy or public relations plan, but customer service alone is not a strategy or plan. Delivering excellent customer service is not a risk to a restaurant; rather, it prevents risk because customers are happy with the service that they receive.
SOURCE: PM:214 Communicate core values of product/service
SOURCE: Your Dictionary. (n.d.). *Examples of core values.* Retrieved July 23, 2020, from http://examples.yourdictionary.com/examples-of-core-values.html

87. D
Physical attributes. In this situation, the castle's unique physical attributes—architecture and secret passageways—separate it from its competitors. Although the castle's historic background is not a physical attribute, it is an intangible element that supports the structure's unique physical attributes. There is not enough information provided to determine if the castle provides exceptional service, is in a scenic location, or offers all-inclusive packages for guests.
SOURCE: PM:246 Identify product's/service's competitive advantage
SOURCE: Newton, C. (n.d.) *Major differences between physical and perceptual product positioning.* Retrieved July 24, 2020, from https://smallbusiness.chron.com/major-differences-between-physical-perceptual-product-positioning-26323.html

88. B
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 Explain the concept of product in the hospitality and tourism industry
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.

89. A
Extension. A hospitality business might add an item (e.g., suite hotels) to its existing product line to appeal to a broader audience. A traditional hotel business might add suite hotels to its product line to attract guests who have large families and need more room, or to appeal to travelers who are staying longer than the typical transient guests. Acquiring assistance from outside organizations or consultants to obtain goods or services to accomplish business objectives is known as outsourcing. A product feature is a fact or characteristic of a specific product. Enhancement can be described as a product improvement. Outsource, feature, and enhancement are not terms commonly used to describe the addition of a product to an existing product line in the hospitality industry.
SOURCE: PM:099 Explain the nature of product extensions in the hospitality and tourism industry
SOURCE: Hirsh, L. (n.d.). *What is product extension in marketing?* Retrieved July 24, 2020, from https://smallbusiness.chron.com/product-extension-marketing-65988.html

90. D
Costs. When marketers plan promotions, they know there are costs associated with each task involved. Considering these costs ahead of time helps marketers create reasonable promotional budgets for each promotional effort. Costs are more important than the music or colors involved in a particular promotion. Costs are also more important than marketers' job titles.
SOURCE: PR:001 Explain the role of promotion as a marketing function
SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

91. C
Decline. Decline is the product life cycle stage in which sales and profits fall rapidly. During the decline stage, companies reduce production of the declining products and invest little money in product promotion. During introduction, maturity, and growth, more money is invested in the product to gain customer awareness, to compete effectively, and to keep customers.
SOURCE: PR:003 Identify the elements of the promotional mix
SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

92. C
Developing processes to prevent product defects. Quality management is the coordination of resources to ensure the degree of excellence of a process, good, or service. Quality assurance is an aspect of quality management. It involves developing systems and processes to prevent defects as the products are being created. Quality control involves identifying defects in goods and services after they have been created, which includes inspecting the finished product. Quality improvement is an aspect of quality management that focuses on product improvement, which may involve using better materials to create better products. Customer-satisfaction feedback can help businesses determine if they need to improve their products.
SOURCE: QM:001 Explain the nature of quality management
SOURCE: LAP-QM-001—Keep It Quality (Nature of Quality Management)

93. A
Loss exposures. Circumstances that create risk factors are loss exposures. Loss exposures within the business include situations such as safety and health hazards, information security, and property theft. Businesses can lower and control these types of risks by implementing policies and by requiring employees to follow procedures that minimize safety, illness, computer breaches, and theft. Changes in exchange rates, regulations, and industry trends are external factors that can affect a business's level of risk.
SOURCE: RM:058 Discuss the nature of risk control (i.e., internal and external)
SOURCE: Smith, C. (n.d.). *Retention vs. loss exposure*. Retrieved July 24, 2020, from
          https://smallbusiness.chron.com/product-extension-marketing-65988.html

94. A
Sky High. Investors often calculate the price-to-cash flow ratio (P/CF) of potential investments to compare their relative worth. If particular investment's P/CF is lower compared to others in the same industry, the market has probably undervalued that stock. To determine which of the four airline's stock is most likely to be undervalued, calculate the price-to-cash flow ratio of each company. The price-to-cash flow ratio can be found by dividing the current stock price by the cash flow per share (Sky High: $14.36 / $5.21 = 2.76; Smooth Flying: $22.78 / $4.12 = 5.53; Soar the Sky: $18.50 / $3.59 = 5.15; White Clouds: $25.81 / $6.94 = 3.72). Since Sky High's price-to-cash flow ratio is lowest, it is most likely to be undervalued.
SOURCE: FI:541 Interpret cash-flow statements
SOURCE: Kenton, W. (2019, June 23). *Price-to-cash-flow ratio - P/CF definition*. Retrieved July 23, 2020, from http://www.investopedia.com/terms/p/price-to-cash-flowratio.asp

95. D
The competition. The information in company advertisements that compares the company's products to those of its competitors is useful to salespeople who must sell against the competitors in the marketplace. Salespeople use this information to explain how and why their products are superior. Companies would not compare their products to those of different industries. Service organizations provide services but not goods. Distribution centers do not produce goods but are facilities which hold goods in storage and fill orders for those goods.
SOURCE: SE:062 Acquire product information for use in selling
SOURCE: Brainmates. (n.d.). *"How to…" undertake a product comparison.* Retrieved July 24, 2020, from https://brainmates.com.au/brainrants/how-to-undertake-a-product-comparison/

96. A
Adventure. Adventure seekers such as Maggie tend to enjoy visiting different locations and participating in a variety of activities (e.g., parasailing). There is not enough information provided to determine if Maggie finds parasailing relaxing or prestigious, or if it provides her with a sense of belonging.
SOURCE:　SE:220 Explain factors that motivate people to choose a hospitality and tourism site
SOURCE:　Syidov, J., & Adomaitiene, R. (2016). *Factors influencing local tourists' decision-making on choosing a destination: A case of Azerbaijan.* Retrieved July 24, 2020, from http://www.zurnalai.vu.lt/ekonomika/article/viewFile/10332/8356

97. B
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 Process telephone orders in hospitality and tourism
SOURCE:　Hospitality-school.com. (n.d.). *How to take reservation on phone.* Retrieved July 23, 2020, from http://www.hospitality-school.com/hotel-telephone-reservation

98. D
Read ticket bar codes. A bar code is a symbol known as a Universal Product Code (UPC) and contains information (e.g., price, seat, and date) that can be read by an electronic scanner. Cashiers scan the bar code on tickets which reads and translates the price electronically. Pricing strategies are the plans of action for achieving pricing objectives. Using a scanner to process a sales transaction does not ensure customer satisfaction. Businesses do not use image or laser scanners to develop service standards.
SOURCE:　SE:329 Process sales transactions (e.g., cash, credit, check)
SOURCE:　Barcodes, Inc. (1994-2020). *What is a barcode?* Retrieved July 24, 2020, from https://www.barcodesinc.com/articles/what-is-a-barcode.htm

99. D
Time management. The organizing function of management involves setting up the way the business's work will be done. An important aspect of organizing involves understanding the time it takes an employee to complete certain tasks. By understanding the time it takes to complete work activities, the manager can determine the best way to structure the workload among the employees. Discipline, feedback, and rewards are issues associated with the directing function of management.
SOURCE:　SM:064 Explain managerial considerations in organizing
SOURCE:　DeMers, J. (2014, November 17). *7 guidelines for delegating tasks to employees.* Retrieved July 23, 2020, from http://www.inc.com/jayson-demers/7-guidelines-for-delegating-tasks-to-employees.html

100. A
Avoidance. Avoidance involves eliminating a risk entirely. Mason is avoiding the risk because he found a different solution (renting a car) that does not carry the same risk of delayed flights. Transference involves moving the impact of a risk to someone else. An example of transference could be purchasing travel insurance to cover the costs if his flight is delayed. Acceptance involves taking the chance that the risk might occur because the payoffs are greater than the losses. An example of acceptance could be buying a plane ticket and hoping that it does not get delayed. Mitigation involves reducing a risk or controlling its impact. An example of mitigation might be warning the bride and groom that he could be late and arranging for someone to drive him straight from the airport to the rehearsal dinner.
SOURCE:　SM:075 Explain the nature of risk management
SOURCE:　LAP-SM-075—Prepare for the Worst; Expect the Best (Nature of Risk Management)